

Health and Accident Conference Number

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, JUNE 21, 1934

"WHAT DO YOU READ, MY LORD?"



HAMLET'S answer: "Words, words, words" was all right as far as it went but it didn't say anything about how those words were arranged. In the June Pioneer you'll find words, words, words. Many of them are the same words but the arrangement is different. Put them together this way and you have some interesting vacation claims. Put them together that way and you have suggestions for that ever-present collection problem. Put them together still another way and you'll find suggestions well worth passing along to your policyholders and prospects regarding much needed accident prevention methods. The June Pioneer is good vacation or week end reading. It isn't dry. At the same time you can use it to learn to earn. We'll gladly send you a copy. No obligation on your part. Address The Publicity Department of The Employers' Group, 110 Milk Street, Boston, Mass. . . . The Employers' Group includes The Employers' Liability Assurance Corporation, Ltd., The Employers' Fire Insurance Company and the American Employers' Insurance Company.



AMERICAN EQUITABLE ASSURANCE COMPANY
OF NEW YORK

Organized 1918

Capital, \$1,000,000.00

KNICKERBOCKER INSURANCE COMPANY
OF NEW YORK

Organized 1913

Capital, \$1,000,000.00

GLOBE & REPUBLIC INSURANCE COMPANY
OF AMERICA

Philadelphia, Pa.

Established 1862

Capital, \$1,000,000.00

MERCHANTS AND MANUFACTURERS FIRE
INSURANCE COMPANY

Newark, N. J.

Chartered 1849

Capital, \$1,000,000.00

NEW YORK FIRE INSURANCE COMPANY

Incorporated 1832

Capital, \$1,000,000.00

VARIETY *and* COMPLETENESS

WHEN an agent represents a Corroon & Reynolds company he has variety of appeal to use and completeness of protection to offer. Among the lines he can present are the following:

| | | |
|-------------------------------------|---|--|
| Fire | Camera, Projection Machine & Equipment | Smoke and Smudge |
| Leasehold | Deferred Payment Merchandise | Silverware |
| Earthquake | Automobile (Fire, Theft, Collision, Property Damage) | Lightning |
| Personal Property Floater | Transportation Floater | General Merchandise Floaters |
| Engagement Ring | Physicians', Surgeons' and Dentists' Instruments and Apparatus: All Risks | Custom Duties |
| Wedding Presents | Explosion, Riot and Civil Commotion | Demolition |
| Radium: All Risks | Personal Effects (Tourist Floater) | Tuition Fees |
| Salesmen's Samples | Agents' Contingent Commissions | Insurance Premiums |
| Fine Arts: All Risks | Supplemental Contract Cover | Common Carriers and Legal Liability |
| Rents and Rental Value | Ocean and Inland Marine | Improvements and Betterments |
| Profits and Commissions | Windstorm and Tornado | Laundry and Dry Cleaners (Bailee Form) |
| Aircraft Property Damage | Errors and Omissions (Mortgagees) (Warehousemen) | Accrued Charges (Warehousemen) |
| Mail Package (Parcel Post) | Use and Occupancy or Business Interruption | Theatrical Scenery and Costume Floater |
| Jewelry and Furs: All Risks | Bridges: Property Damage and Use and Occupancy. | Garment Contractors' Floater |
| Sprinkler Leakage Legal Liability | Sprinkler Leakage | Movable Equipment Floater |
| Furrier's Custody: All Risks | | Contractors' Equipment Floater |
| Sprinkler Leakage Assumed Liability | | Horse and Wagon Floater |
| Musical Instruments: All Risks | | |

CORROON & REYNOLDS

Incorporated

INSURANCE UNDERWRITERS

Manager

92 William Street

New York, N. Y.

The National Underwriter

Thirty-Eighth Year—No. 25

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JUNE 21, 1934

\$4.00 Per Year, 20 Cents a Copy

Agents Tell Their Story to U. S. Men

National Association Leaders Confer With Officials in Washington

WANT PLACE RECOGNIZED

Resentment Is Expressed at Practice of Concentrating Government's Insurance in Hands of Few

In the interests of conserving for the local agents the business in their respective localities on government business and business in which the government is interested, a group of leaders of the National Association of Insurance Agents held conferences in Washington last week with representatives of governmental boards and bureaus, including the executive council, Home Owners Loan Corporation, Commodity Credit Corporation, treasury department, agricultural department and others.

Executive Committee Chairman E. J. Cole, Fall River, Mass., Secretary Walter H. Bennett, W. O. Wilson, Richmond, Va., of the executive committee, and past President W. E. Harrington of Atlanta participated in the conferences. The Southern Agents Conference, represented by H. C. Arnall, Newnan, Ga., chairman; John S. Williams III, Yazoo City, Miss., A. D. Langham, Houston, and S. O. Smith, Gainesville, Ga., member of the national executive committee, were present in the interests of the cotton states to recoup the business on the cotton on which the CCC has made loans, which is now written by three brokers, to the exclusion of local agents.

Objective Is Explained

The objective of the administration of the National association is to instill into the minds of government officials the principle that utilization of the widest insurance service available, where equal or better value is furnished, and at equal cost is sound procedure and that the National association should be in position to offer plans to fit the ramifications of the several classes of government business, which will provide such protection.

The general subject of all classes of government insurance was taken up with the executive council, which is headed by the president, and composed of representatives of the cabinet and heads of governmental boards and bureaus.

The National association spokesmen submitted to representatives of the council that concentration of the government's business in the hands of a few preferred brokers or branch offices is repugnant to the principles of the recovery program, deprives many citizens of their business; takes from the govern-

(CONTINUED ON PAGE 21)

Trouble Below the Surface

Currents and Counter Currents in the Fire and Casualty Field Will Ultimately Reach the Top With All Their Accumulated Turbulence

By C. M. CARTWRIGHT

NEW YORK, June 20.—One of the most astute and penetrating observers in the fire and casualty field remarked the other day that during his long years of observation he had never participated in such an epochal period in the business as at present. He asserted that while on the surface the stream seems to be flowing on in comparative quiet, yet beneath there are seething whirlpools, currents and cross currents which ultimately will bring to the surface disturbances that are sure to create havoc. This condition might well be likened to the august and stately procedure of the Niagara River below the Falls and then the terrifically troubled waters as one reaches the whirlpool rapids.

Multiple Dissensions at Work

There are conditions today that are most arresting to the onlooker. There are various elements in the business, jealous, suspicious and warlike. There are forces that should be marching together that are antagonistic. We have companies themselves in different camps. These are hostile. Then again the companies look with much suspicion on what the agents are doing and resent their activities in many directions. The agents, on the other hand, are accusing the companies of bad faith and charge them with injecting into the picture unnecessarily, movements which are antagonistic to agency interests. The brokers in large cities like New York, Boston and San Francisco resent the organized agents attempting to speak for the producers at large. The company organizations in attempting to be militant and protecting their members have created prejudice here and there.

Free Lance Companies Active

There are some free lance companies that are very aggressive that have wrenched business away from the orthodox companies and this has engendered a malignant attitude. Then the federal government, finding it necessary to come into the arena because of some of its momentous enterprises, has run afoul of companies and agents in the efforts to protect its interests by insurance. The large city broker-agent is undoubtedly stirring up the animals in many directions. There are offices in some of the large cities that primarily are local agents and yet their outside brokerage, so-called, in volume may exceed what is purely agency business. Therefore, the large offices roaming all over the country, grabbing off lines here and there cannot be placed in the same category as the regular local agent. Their sympathies are akin to the regular brokers.

Stirred by Separation

The separation edict started first by the Eastern Underwriters Association in excepted cities territory to go into effect July 1 and then adopted by the Western Underwriters Association in

excepted cities with no date determined, has stirred up the agents in these centers. A move of this kind is never popular with the agents. They resent any interference or what they term an attempt to control their representation. There has been surprise expressed that the companies in the E. U. A. have not taken formal action with their agents, although the deadline is near at hand. It is explained by executives that automatically on July 1 members of the Eastern Underwriters Association must bring their excepted cities agencies into line. While there has no formal notice gone out to agents, executives and field men have had conversation with their agents. Many suburban agencies in excepted territory have also been visited.

Hesitation on Part of Companies

Naturally, there is hesitation on the part of any office to take the initiative in laying down the law. It simply prejudices the agency against this particular company, and other companies in the same agency take advantage of the situation. Therefore, the E. U. A. members are waiting until July 1 before real activity starts. There has been considerable speculation because of the absence of formal notice to agents as to whether the separation movement would really be put into effect. There seems to be no doubt whatever but the E. U. A. members must go ahead with their program whether they are in sympathy with it or not. To back down now would be suicidal and would cast on the organization a deadening blight from which it could not recover. The time to consider whether separation was a wise move was when it was initiated. After the die has been cast there is nothing left but to carry it through.

Willing to Make Sacrifices

If there is any backdown or weakening on the part of the Eastern Underwriters Association, the movement in the central west would be killed. Therefore, company executives declare there is nothing left for them to do but to go ahead and work out their own salvation. Eventually separation principles will prevail in the minds of the organization.

(CONTINUED ON PAGE 22)

Special Insert Covering H. & A. Conference Meet

The proceedings at the annual meeting of the Health & Accident Underwriters Conference, in session in Chicago this week, and the addresses given at that meeting are presented in detail in a special section carried as a part of this issue of The National Underwriter and cover pages 26-35.

Separation Date Fixed for Chicago

W.U.A. Companies Advised Membership Qualification Becomes Operative There June 30

DISTINCTION EMPHASIZED

Date Set Is Not Deadline But Merely Time for Commencement of Activities

Members of the Western Underwriters Association have been notified that the governing committee has fixed June 30 as the date upon which the provision becomes operative in Chicago that the maintenance of clear agencies is a condition of membership. In effect this means that June 30 is the date for the commencement of separation activities in Chicago. It is not a deadline. The time when separation must be completed in Chicago will probably be the time when the governing committee calls for reports from members or begins to challenge the membership of companies.

Not Mandatory Legislation

The distinction is emphasized by Western Underwriters Association companies that separation in the west is not a matter of mandatory legislation. Maintenance of clear agencies is a qualification for membership. However, in order to get things moving, without setting a dead-line, the governing committee has adopted the principle that the membership qualification provision does not become operative in a territory until a date is designated.

Much Business Now Being Restored on 3-Year Basis

One of the encouraging signs in the fire insurance business today is the decided reversal of the depression tendency to renew term policies on the annual basis. All companies now report that the trend is the other way. Thousands of annual policies, coming up for renewal, are now being rewritten on the term basis.

An indication that this is true is found in the fact, observed by many companies, that the percentage of cancellations to premiums written is considerably less than it was. That means that there is not a great number of policies, delivered for a three year term, that are coming back to be written instead on the annual basis.

Most companies today have large enough surplus so that the drain occasioned by the necessity of putting up higher reserves on three year business is not embarrassing.

Agents of Virginia Oppose Practices

Condemn Company Employees as
Countersigning Agents, CCC
Cotton Cover Action

APPEAL TO PRESIDENT

Criticise Placing Insurance Through
New York Brokers, Texas General
Agent, North Carolina Agent

NEW OFFICERS ELECTED

President—James J. Izard, Ronnoke (reelected).
First vice-president—W. J. Perry, Jr., Staunton.
Second vice-president—B. W. Sebrell, Jr., Lawrenceville.
Secretary-treasurer—F. S. Blanton, Farmville (reelected).

Licensing of salaried employees of companies as countersigning agents was condemned by the Virginia Association of Insurance Agents in a resolution adopted at its annual meeting in Staunton. The executive committee was requested to endeavor to prevail upon companies resorting to this practice to discontinue it. The resolution recited that resident local agents were being deprived of their legitimate income and the practice was contrary to the spirit of the resident agents law.

The association also went on record condemning the action of the Commodity Credit Corporation in placing all cotton financed by that corporation with a firm of New York brokers, a Texas general agent and a North Carolina agent, thus "depriving the southern local agents of their largest single source of income."

To Appeal to Roosevelt

Such action, the resolution declared, is contrary to the President's national recovery act since it tends to narrow distribution to a few and remove income from local communities where it would do the most good. It was decided to address a letter to President Roosevelt "protesting against this injustice and asking that he order this business be restored to the agents."

Another resolution was adopted lamenting the death of two outstanding local agents, P. H. Goodwin of California and J. L. Case of Connecticut.

It was announced that the president would name the executive committee and committee chairmen later. An invitation to hold the next annual convention at Luray was received, but no action taken on it. The executive committee will fix the time and place.

Each member was urged to procure at least one qualified member in the coming year. Incorporation of the association was recommended by the executive committee, no action, however, being taken. The committee urged that a full time salaried manager would be of great benefit. It was deemed inadvisable to put the plan in effect at this time.

Solve Troublesome Case

The committee reported one of the most troublesome cases in the year was of an agent representing both stock and mutual companies. The committee was unable to make much headway in dealing with the agent direct, and finally a local board was organized and the agent induced to become a member, agreeing to give up his mutual connection.

(CONTINUED ON PAGE 10)

Mississippi Agents Elect Julian Hopkins President

ABANDON PAID MANAGER PLAN

Vote to Continue Efforts to Retrieve
CCC Cotton Insurance—Conditions
in State Greatly Improved

NEW OFFICERS ELECTED

President—Julian Hopkins, Columbus.
Vice-president—W. M. McLaurin, Laurel.
Secretary-manager—Ramsey W. Roberts, Jackson.
National councillor—John Sharp Williams, III, Yazoo City.
Executive committee—The officers and Jesse Adams, Gloster, retiring president; H. E. Walton, Ruleville; Frank Ransom, Aberdeen; E. D. Hurst, Laurel; W. A. Miller, Hazelhurst, John Sneed, Gulfport and Wirt Yerger, Jackson.

JACKSON, MISS., June 20.—The Mississippi Association of Insurance Agents held its annual convention in Jackson Tuesday, an executive committee meeting preceding the meeting the night before. Owing to continued stringent financial conditions, the executive committee recommended abandonment of the full time, salaried manager plan temporarily. This plan was adopted in January, 1933, and John S. Williams, III, has served continuously in this capacity since. There was no criticism, but whole hearted praise of Mr. Williams' work. R. W. Roberts resumes the post he held for a number of years prior to Mr. Williams' election.

The association voted to continue to cooperate with local agents in the other cotton growing states in an effort to get for the benefit of the agents, insurance on cotton carried by the Commodity Credit Corporation. According to Mr. Williams, the corporation holds one million bales and will shortly hold an additional half million. The premium amounts to about five cents per month on each bale, and the plan is to prorate the commission among agents, if the government will consent to the agents writing the line.

Commissioner George D. Riley delivered a timely address, reviewing his activities in preventing fires and in obtaining convictions for arson. He recently received recognition by the National Board.

Under a law passed by the 1934 session of the legislature Mr. Riley is going

(CONTINUED ON PAGE 25)

Report Rogers May Be Kentucky Commissioner

LOUISVILLE, June 20.—The rumor has been widely circulated in insurance circles of Kentucky for weeks past to the effect that W. E. Rogers, Sr., Guthrie, Ky., hardware merchant, also speaker of the Kentucky house, is slated to become commissioner July 1 under ripper legislation early this year, permitting the governor to remove incumbents. Rumor further indicates that G. B. Senff, present commissioner, will be tendered the post of deputy commissioner.

Some objections have been cited against Mr. Rogers because he cast the deciding vote in the house in favor of the state sales tax of 3 percent, after being elected to the house on an anti-sales tax platform.

Mr. Senff was named to his present post by Dan Talbott, state auditor, but Talbott's power over the commissioner's office was taken away from him in the ripper bill.

There has been a rumor that Talbott is arranging to file an injunction suit prior to July 1, to enjoin the governor from appointing anyone to the office, and attacking the ripper bill, following the same procedure as his father-in-law, Ben Johnson, former Kentucky congressman, used to prevent the governor from removing Johnson as chairman of the highway commission.

Rush Auto Manual; New Minimum Rates in West

NEW YORK, June 20.—All matters under review by the National Automobile Underwriters Association, including the initial and the supplemental charge to be imposed for the convertible collision cover in western jurisdiction, having been amicably agreed upon, work on the new rate manual is being rushed in order to insure its issuance early in July. A considerable amount of the material on which there was no diversity of opinion already has been set up by the printers.

The minimum fire and theft premium in the west hereafter is to be \$3 instead of \$5 as now; the change however not being applicable to mountain territory, where the existing rate will be continued.

The annual meeting of the Oklahoma Blue Goose is scheduled for June 25 in Oklahoma City.

THE WEEK IN INSURANCE

Direct solicitation of covers on financed cars urged by Manager Weiss of London Assurance group's automobile department. **Page 3**

Appeal to President Roosevelt to be sent by Virginia agents on CCC cotton cover action, determined upon at Staunton annual meeting. **Page 2**

North Carolina agents attain true fraternalism, receive inspiration and help at annual association meeting. **Page 2**

The comprehensive household policy is now authorized in Illinois, the uniform definition being so modified. Pennsylvania and Mississippi adopt uniform definition. **Page 37**

Crisis over non-conformance with rule forbidding sale of 50-50 plate glass form approaches in Chicago Plate Glass Insurance Bureau. **Page 39**

Commissioner Boney of North Carolina, in addressing the agents' association of his state, contends that state regulation is the proper method of supervising insurance. **Page 2**

Insurance Director Palmer of Illinois orders canceled special contracts entered into by several casualty companies with a plate glass company, whereby the latter concern acts as insurer. **Page 39**

June 30 is the date set by Western Underwriters Association for commencement of separation in Chicago. **Page 1**

Separation is opposed by Boston agents, largely because they fear that later demand may be made upon them to give up their mutual representation. **Page 4**

Conference is held in New York to discuss the proposition of permitting term premiums to be paid in installments, to meet competition. **Page 3**

Leaders of National Association of Insurance Agents hold conferences with governmental officials in Washington in the hope of bringing about greater recognition of local agents in the government's insurance. **Page 1**

New York department approves compensation rate increase of 10.3 percent. **Page 37**

Committee of Philadelphia agents is told plainly by E. U. A. committee that decision as to separation is final and that the July 1 dead-line is final. **Page 3**

Mississippi agents, in annual session, elect Julian Hopkins as president. **Page 2**

Employers liability manual discontinued in several states June 30 in favor of new compensation and employers liability rules and classification. **Page 38**

Schenley liquor loss outstanding issue in convention of Kentucky agents; commissioner asked to investigate handling of line. **Page 3**

New Fraternalism Attained in Rally

North Carolina Agents Receive
Inspiration, Aid from Frank
Discussions

TRUE LOCALS' GATHERING

Endorse Contingent Commission Plan,
Pro Rata Cancellation on Mercantile
Stocks, at Blowing Rock

NEW OFFICERS ELECTED

President—McAllister Carson, Charlotte.
Vice-President—William Derscott, Graham.
Secretary—W. A. Harbison, Morganton.
Treasurer—L. M. Connor, Raleigh.
Board of Directors—President Carson, Chairman; W. A. Harbison, Secretary; S. G. Otstot, Asheville; Walter Lambeth, Charlotte; R. L. Mears, Wilmington; Earl Johnson, Raleigh; L. E. Dimmette, Lenore; T. G. Redden, Greensboro; T. P. Southgate, Durham; T. O. Berry, Greensboro.
Manager—J. D. Saint, reelected.

BLOWING ROCK, N. C., June 20.—A reconstruction convention centering around production, progress and true insurance fraternalism, as forecast by the program committee, catalogues the deliberations and actions of the annual meeting of the North Carolina Association of Insurance Agents held here.

While formal resolutions were not so voluminous or detailed as at previous sessions, results were inspiring and out of the meeting came a better understanding of changed conditions, constructive business building methods, restoration of premium losses sustained and rehabilitation of agencies to their former stability. The session was one of the largest attended in history.

Endorsed Two Proposals

The association endorsed and referred for consideration to the southern agents conference the question of contingent commissions and the matter of companies granting prorata cancellations on mercantile stocks. The Neely bill was endorsed.

The association named by nominations from the floor its incoming leaders to carry on the work of Retiring President C. W. Coghill and his associates.

The convention was truly a local agents' conference. Every program feature presented had been suggested by the members. Views were fully expressed and opinions thoroughly exchanged.

Four Principal Speakers

The program offered only four formal addresses, those by Chairman Frank T. Priest of the finance committee of the National Association of Insurance Agents, who represented the parent body and spoke on "Producing Back to Prosperity;" Commissioner Boney of North Carolina, who spoke on "Insurance and the North Carolina department;" Chairman Godfrey Cheshire of the North Carolina fieldmen's conference, who discussed "The Principles of the North Carolina Conference" and Manager W. Landon Hill of the North Carolina Inspection & Rating Bureau, who offered "Greetings from the Bureau." Mr. Priest was introduced by National Councillor Thomas Southgate.

The results of the year were given in brief by President Coghill and other officers and committees. President Coghill and Business Manager J. D. Saint emphasized that the North Carolina association "led the nation in the first code

(CONTINUED ON PAGE 10)

Schenley Loss Big Issue in Kentucky

Agents Memorialize Commissioner to Investigate How Line Was Handled

ATTACK MADE ON I. U. B.

Brickbats Fly at Annual Session of State Association in Lexington

LOUISVILLE, June 20.—Although announcement has been made of final agreement as between adjusters representing the companies, and those representing the assured in the fire loss at the James E. Pepper & Co., distillery, Lexington, Ky., of the Schenley Products Co., it would appear that the matter is not nearly closed with the mere adjustment of the loss.

Commissioner Senff of Kentucky has stated he does not like the methods apparently used in writing the line through the I. U. B. and that he intends to make an investigation.

While company men are inclined to claim that most of the trouble lies in the fact that agents are not familiar with the I. U. B., still the local agents are bitterly opposed for the most part to I. U. B. writing.

Lexington Board's Action

On May 16, the Lexington Board adopted a resolution, holding that the I. U. B. is detrimental to the agency system and asking that the companies discontinue the I. U. B. at once. This resolution was also brought before the Kentucky Association of Insurance Agents, meeting held last week at Lexington, Ky., rewritten, as a state association resolution and submitted for action.

The resolution was expected in advance to create at least some opposition.

All resolutions passed other than the Lexington Board memorial, which, after much discussion was left in the hands of the incoming administration with full power to act.

Warns of Hasty Action

Len Shaw, Mayfield, spoke against hasty action and others agreed. After the resolution had been tabled, however, the new president had scarcely been seated, when the matter was opened again, on the grounds it was now in the hands of the new administration. The new president, G. R. Reed, Columbia, agreed to an amendment, giving the executive committee power to act.

Prior to introduction of the resolution, W. A. Reisert, Louisville, chairman legislative committee and also national councillor, attacked the I. U. B. methods as disclosed in the Schenley loss. Mr. Reisert stated several meetings of companies on the Pepper loss were held in New York and Cincinnati, but they had kept out of Kentucky.

I. U. B. and NRA Code

Mr. Reisert remarked that if he had possessed the inside information on the Pepper methods of underwriting before the abandonment of the code, it might have had a very material effect, in proving to the NRA, the need of regulation of insurance. He said he knows of a line insured in August 1933, and which is still not countersigned. He said there is no reason for the I. U. B., to make rates lower than agents can make, on the ground they must do so to meet mutual competition or of not admitted companies.

(CONTINUED ON PAGE 23)

Payment of Term Premium in Installments Pondered

CONFERENCE IS HELD IN N. Y.

All Sections of Country Represented at Conference on Suggestion Emanating From the West

NEW YORK, June 20.—A conference was held here last week in the office of the Insurance Executives Association, attended by representatives from all of the regional organizations, including the Western Insurance Bureau, for discussion of the suggestion, emanating from the west, that steps be taken to meet the competition created by the growing practice of several free lance companies to collect the premium, under a term policy, in annual instalments. There are many considerations involved in arriving at a decision whether to permit the breaking down of the term premium. The question is whether the competition is serious enough to justify taking a step which might do violence, indirectly to the rate structure. A decision was not reached in New York, but the subject is one that is being pondered from all angles by individual executives and by organizations.

Among those attending the New York conference were E. T. Cairns, vice-president Firemen's Fund, J. F. Raine, manager Southeastern Underwriters Association, W. R. Prescott of Atlanta, general agent Hartford Fire, Dowdell Brown of Atlanta, manager Commercial Union, C. R. Street, vice-president and western manager Great American, E. A. Henne, vice-president and western manager America Fore and president Western Underwriters Association, H. A. Clark, western manager Firemen's and chairman Western Insurance Bureau, J. V. Parker, manager Western Actuarial Bureau, O. E. Lane, president Fire Association, Fred W. Koeckert, United States manager Commercial Union, James Wyper, vice-president Hartford Fire, W. F. Beyer, secretary Home, and P. L. Haid, president Insurance Executives Association.

The advantage to assured in carrying term contracts is, of course, the rate reduction, while the companies benefit by the interest earned upon the greater payment, and effect a saving in handling the business. There is also an advantage to agents in that term business is safer from competition.

Nature of Competition

One of the Pacific Coast companies has been writing term business upon the easy payment plan for sometime and has accumulated a considerable volume of choice risks in consequence. Similarly an Indiana company has been accepting payments in instalment periods.

While the term rule has been broadened in several sections in recent years to embrace risk classifications not previously allowed, the New England territory is perhaps more liberal than any other in this respect; the term concession extending even to certain special hazards. Insurance upon residence properties constitutes the large percentage of term business, mainly on a three year basis. Prior to 1931 considerable five year business was written, but with the depression much of it was canceled and few new lines were issued. The same situation developed with three year business, assured renewing their fire insurance on an annual basis. In recent months, however, the trend has been to renew dwelling risks for a three year term, and the expectation is that with the general recovery that practice will become general again before long.

The H. W. Kinsley Co. has been formed at South Norwalk, Conn., to take over the insurance business of the Home Realty Co. Mr. Kinsley has conducted a general agency in New York for the past 12 years.

Fire Loss Higher in May; Five-Month Total Lower

NEW YORK, June 20.—Fire losses in the United States during May increased 14.72 percent over April and 3.83 over May, 1933, the National Board reports. Losses totaled \$25,271,459. Losses for the first five months are \$21,000,000 less than in 1933. A comparison of losses for the last three years follows:

| | 1932 | 1933 | 1934 |
|----------|---------------|---------------|---------------|
| Jan. . . | \$ 39,224,783 | \$ 35,547,565 | \$ 28,002,583 |
| Feb. . . | 39,824,662 | 36,661,481 | 31,443,484 |
| Mar. . . | 49,189,124 | 35,321,248 | 31,312,359 |
| Apr. . . | 43,822,233 | 27,825,970 | 22,028,943 |
| May . . | 39,270,524 | 24,338,714 | 25,271,459 |
| Total. | \$211,331,286 | \$159,694,978 | \$138,058,828 |

Among the larger fires listed by the New York "Journal of Commerce" for May are Orono, Me., box factory, \$100,000; Newburyport, Mass., shoe factory, \$750,000; Clifton, N. J., paper mill, \$100,000; Lundhurst, N. J., cork plant, foundry, \$500,000; Union City, N. J., church, \$500,000; Brooklyn, N. Y., pier, \$500,000; Lackawanna, N. Y., factory, \$136,000; Jamaica, L. I., business block, \$100,000; Oswego, N. Y., business building, \$150,000; Philadelphia, apartments, \$200,000; Seek, Pa., coal shaft, \$250,000; Providence, R. I., market, \$100,000; Tampa, building supply warehouse, \$100,000; Oxford, N. C., factory, \$100,000. Others are Chicago, stockyards, \$8,000,000; Wilmington, Ill., roofing warehouse, \$1,000,000; Linton, Ind., mine buildings, \$150,000; Cedar Rapids, Ia., theater, \$100,000; Wabasha, Minn., business block, \$250,000; Malden, Mo., cotton compress, \$500,000; Athens, O., mine buildings, \$100,000; Painesville, O., powder plant, \$100,000; Toledo, motor plant, \$150,000; Troy, O., furniture factory, \$100,000; Ripley, Tenn., box factory, \$100,000; Hudson, Wis., sanitarium, \$140,000; Isleton, Cal., cannery, \$200,000; Lindsay, Cal., processing plant, \$140,000; Longmont, Colo., flour mill, \$500,000; Las Vegas, Nev., school, \$100,000; Eugene, Ore., lumber plant, \$750,000, and Portland, Ore., business building, \$100,000.

Asks Direct Solicitation of Covers on Financed Cars

NEW YORK, June 20.—In letters addressed to agents of the London Assurance and its affiliates, the Manhattan F. & M. and Union Fire, Walter Meiss, manager automobile department, urges direct solicitation of fire and theft covers upon cars now written through finance companies. He stresses the point that in event of loss, the finance concerns primarily strive to protect their own interests, whereas agents are concerned in the welfare of clients.

Appreciation of Services

The action of the Home Owners Loan Corporation, in recognizing local agents, he states, "is proof that the government appreciates the service local representatives supply. Every time a client buys insurance from an outside source," he warns, "it weakens the standing of the agent as a competent counselor upon all of the former's insurance problems."

Kansas City F. & M. Expands

KANSAS CITY, MO., June 20.—The Kansas City Fire & Marine has entered Colorado, Wyoming and California. In Colorado and Wyoming the company will be represented by Wilcox, Ritter & Monaghan, general agents, Denver. In California, the general agency of Wentz & Erlin, whose main office is at San Francisco, but who have a branch at Los Angeles, will represent the Kansas City.

The Mets-Bloodgood Agency of Jersey City has been incorporated by James A. Mets, F. L. Bloodgood and G. W. Bloodgood, all officers of the Pavonia Fire of Jersey City.

Philadelphia Men Get Plain Answer

E. U. A. Committee Tells Agency Delegation Separation Decision Is Final

NO CHANGE IN DEADLINE

Agents Given Indication Their Demand for Increased Voice in Local Board May Be Recognized

PHILADELPHIA, June 20.—Despite reports current on the street here that the companies would defer separation until July 1, 1935, the special committee of the Philadelphia Insurance Agents Association were informed in no uncertain manner that the companies positively would put separation into effect on the first of next month, at their meeting in New York Monday evening with the committee appointed by the Eastern Underwriters Association to deal with the agents.

The Philadelphia agents left the meeting with the certain knowledge that the companies were going ahead with their plans and that July 1 would find separation an actuality.

Rumors Are Heard

Rumors have been flying around Philadelphia that should the E. U. A. go ahead with its separation plans, that separation would be ignored by the agents until such time as the companies met their demands.

Cognizant of these rumors, the agents' committee asked the E. U. A. committee point blank just what the E. U. A. would do should any city or agents refuse to go ahead with separation on July 1.

"We will immediately pull our companies out of every such office," was the reply.

Cordial Reception Given

The Philadelphia committee was given a cordial reception by the E. U. A. committee. The latter group heard the agents out in full and promised to take up their request for more representation and more of a voice in the Philadelphia Board, with the entire E. U. A. membership. From the general tone of the meeting, it appears as though the companies will meet the agents part way on some of their requests.

The Philadelphia Insurance Agents Association will meet next week for final consideration and decision on the separation question. Faced with the knowledge that the companies are going ahead with their plans and also faced with the threat on the part of the companies for immediate withdrawal from all offices that do not accept, it is more than likely that the Philadelphia agents will agree to accept separation and attempt to gain their points through further negotiations.

The local men were especially concerned as to the future status of non-policy-writing agents in the territory, whose number has attained such proportions as virtually to eliminate all brokered business, once a fruitful source of revenue for the agents.

Agents Given Assurance

Assurance was given that the separation plan would be applied to non-policywriting-agents as well as to fully equipped agency offices, a declaration that the agents' committee had not previously understood, and the promise of which seemed greatly to please them.

(CONTINUED ON PAGE 23)

Boston Opposes Separation Because of Mutual Issue

SECOND STEP IS FEARED

Practically All of the Agencies There
Represent Mutuals and Don't
Want Connections Disturbed

BOSTON, June 20.—The immediate effect of separation in Boston would not be extensive. There are three agencies only among those of size and importance representing non-association companies. These are Dewick & Flanders with the Firemen's, John C. Paige & Co., with the Pearl and Kaler-Carney-Liffler & Co. Boston agents are vigorously opposing separation, however, on principle and because they believe that separation between association and non-association companies is to be a first step toward separation of mutual and stock representation. They feel also that separation is sure to be followed by demoralizing conditions in the writing field.

When separation was first announced, many of the clear agencies in Boston were inclined to favor it. However, as they began to study its implications, opposition grew until today it is virtually unanimous. Agents object to seeing the companies force this step, believing the companies are invading a field in which the local agents should be the deciding factor or at least be considered a partner whose opinions would be consulted in an attempt to reach an agreement satisfactory to both parties.

Nearly All Have Mutuals

If the companies can take this step, say these agents, then they may certainly go ahead to decree the mutuals out of the offices. In fact, there are some who interpret the present rule as calling for this action. Every important agency in Boston has mutuals. A former president of the board is a prominent head of a mutual agency. At least, all of the larger agencies represent mutuals. This belief that elimination of mutual representation would be the next step was a powerful factor in bringing about opposition on the part of agencies which are clear of non-association companies.

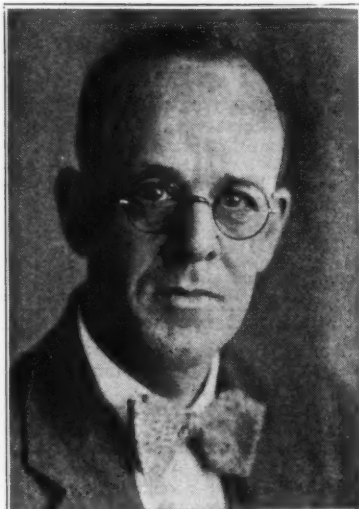
Back of all this reasoning, however, is a factor, possibly more important than all others. It is that separation promises to start a whirlpool in what Boston agents believe after all to have been about as near a placid agency condition as could be found in the country. No agency of any consequence is outside the Boston Board. The building and loan business here is placed through principal writing agents though it may be brokered. The inevitable consequence of separation will be the establishment of non-board offices followed probably by some unrestrained competition. And on this point, a member of the firm of one of the largest agencies in Boston declared that if that condition arose, his firm was not going to lose any business. It is the after effects of separation which the Boston agents fear. Their board resolution opposing separation indicates this clearly in stating that the opposition will be continued, "unless it can be clearly shown that separation will not result in material damage to existing business and income of fire insurance agents in Boston and the metropolitan district through demoralization which may follow separation."

I. U. B. Board to Meet

NEW YORK, June 20.—The governing committee of the Interstate Underwriters board will hold its final meeting for the season June 22.

M. MacLeod, formerly with the Fire Companies Adjustment Bureau, Spokane, will open offices as an independent adjuster.

N. C. Manager



JOHN D. SAINT

John D. Saint was largely responsible for the success of the meeting of the North Carolina Association of Insurance Agents in Blowing Rock this week. Mr. Saint is manager of the association and is doing effective work.

Separation Issue May Be Discussed at E. U. A. Meet

NEW YORK, June 20.—The executive committee of the Eastern Underwriters Association will meet at noon today (Wednesday) to be followed by a general gathering of the organization tomorrow. Though the separation question in the excepted cities is not upon the agenda, the prevailing impression is that there will be more or less informal discussion as to its status and prospects.

Furniture for Prizes

The convention executive committee of the Grand Rapids Association of Insurance Agents, in charge of the local arrangements for the annual meeting of the National Association of Insurance Agents there Sept. 18-21, announces that the various feature prizes to be awarded at the convention will consist of furniture, turned out by Grand Rapids plants, which are world famous. The prizes have been arranged for through the Furniture Manufacturers Association.

Arrangements have been completed to hold the convention in the Civic Auditorium building, which is connected with the Pantlind hotel. The group meetings, committee gatherings, breakfast conferences, joint luncheons and the annual ball will probably be held in the hotel and the get together dinner and general convention sessions in the Auditorium building. At present the plan is to hold the local board meetings on Tuesday afternoon, the day before the opening of the main business meeting. Heretofore these have been breakfast sessions but they have been so valuable that more time has been desired for them.

Plan Arson Squad

NEWARK, June 20.—Plans are under way by the officials of the department of public safety of Newark to create an arson squad, which will consist of picked men from the city's detective bureau. While there has been no particular increase in arson fires in Newark, it has been thought best to have such a squad which will enable the city authorities to devote more time to investigations of all suspicious fires.

Marsh & McLennan have been authorized to do business in Missouri with offices at 1218 Olive street, St. Louis.

Regulation by the States Is Championed by Boney

VIEWS OF N. C. COMMISSIONER

Existing Laws Cover Most Points in
Producers Code—Agents Defeat
Effectiveness of Statutes

Regulation by states is the only practical means of supervising insurance, Commissioner Boney of North Carolina contended in addressing the meeting of the North Carolina Association of Insurance Agents at Blowing Rock. The decision of the National Recovery Administration that insurance is not subject to uniform regulation other than in hours of employment and wages, he said, was normally to be expected and came as no surprise.

Insurance regulation, Mr. Boney stated, cannot be made to blanket the nation and still meet every peculiar local condition. Even within boundaries of the state varying conditions are found, which must be dealt with locally. In North Carolina there are the diversified enterprises of agriculture, manufacturing and merchandising which call for special treatment. Adequately to serve the needs of commerce there must be certain elasticity in insurance operations.

Analyzes Producers Code

Mr. Boney analyzed various points in the producers' code filed by the National Association of Insurance Agents to show that the objectives sought were practically all covered under the North Carolina laws and departmental regulations. He said that rate cutting, wilful misrepresentation, rebating and fictitious fleets are prohibited in the state. As for coercion of business, Mr. Boney said he is opposed to coercion in any transaction which forces an individual to do business contrary to his will or choice. Operations of non-admitted companies are controlled in North Carolina. Through the resident agents' laws of North Carolina, the agents have the finest form of protection they could possibly hope to obtain. The trouble is that many of the agents do not live up to the laws and violate some of them to their own injury.

As to that feature of the agents' code, which covered acquisition cost, Mr. Boney declared that this is a complicated study and the agents should permit the question to remain with those responsible for its regulation.

New Laws Not Needed

There is little need for more laws, he declared, but great need for respect of present laws. Rugged individualism and in many cases unadulterated selfishness have defeated the purpose of these laws. The insurance laws are for the protection of the agents' livelihood and should be used by him.

Mr. Boney said he suspects insurance is being written in North Carolina by concerns not licensed in the state. The operations are cleverly conducted and it is difficult for the department to get evidence, except such as is developed by agents through competition and personal solicitation. He requested the agents to inform the department, when they have real evidence. He expressed the belief that some of the licensed agents deliberately break the brokerage laws of the state, by writing business for non-licensed brokers at a fee and sign policies without charging the 50 percent commission required under the law.

Moon Undergoes Operation

R. Watson Moon, Indiana state agent for the Monarch Fire, underwent an operation and is recovering at St. Vincent's hospital in Indianapolis.

Dr. Roy Huckleberry has bought the agency of J. Frank Laughner at Whites-town, Ind.

Explosion Conference May Take Over Vandalism Line

PROPOSE DEDUCTIBLE OF \$500

Tentative Schedule of Rates Ranges
From Ten Cents to \$1.50 With 50%
Coinsurance

NEW YORK, June 20.—The explosion conference is voting this week on the question of assuming jurisdiction over vandalism and malicious mischief coverage. The next step would be to decide on a form of endorsement extending the coverage under riot and civil commotion policies to include vandalism and malicious mischief.

The New York legislature, at its last session, passed a law permitting fire companies to write such coverage. One proposal is to issue vandalism and malicious mischief coverage with a \$500 deductible.

Schedule of Rates

A tentative schedule of rates has been drawn up by the explosion conference for the vandalism and malicious damage coverage on the basis of 50 percent coinsurance. The rates range from 10 cents to \$1.50. The 10 cent rate applies to steel mills, heavy metal workers, etc. There is a 15 cent rate proposed for department stores, bank and office buildings, churches, schools, dwellings, apartment houses, etc. A rate of 25 cents would apply to restaurants, breweries, bakeries, street railroads, distributing stations, etc. The next classification consists of hotels, amusement parks, canneries and other classifications taking a rate of 35 cents. Then there is a proposed rate of 50 cents for dairies and creameries, libraries, garages, laundries, drug stores, art galleries, etc. The 75 cent rate would apply to theaters, coal mines, etc. The \$1 rate would apply to outside conveying, drilling, excavating, handling and hoisting equipment. The tentative rate of \$1.50 has been set for dry cleaning plants, garment workers, vacant properties, prisons and jails.

The tentative endorsement provides that coverage is not provided against fire, explosion, pilferage, theft, burglary or larceny, or against depreciation, delay, deterioration and/or loss of market, nor any consequential loss, nor against any peril which at the time of the happening of the loss or damage caused by such peril is insured against by any other form of insurance written, nor for any loss or damage to glass constituting part of the building.

Hobbs Seeks Fourth Term

C. F. Hobbs, Kansas commissioner for three terms, is a candidate for the Republican nomination for a fourth term. He has three opponents for the nomination in H. O. Garvey, veteran special agent of the Massachusetts Mutual Life in Topeka; Kenneth G. Lewis of Topeka, son of a former commissioner, who has been with various insurance offices, and D. F. Espenlaub, Kansas City, Kan., local agent.

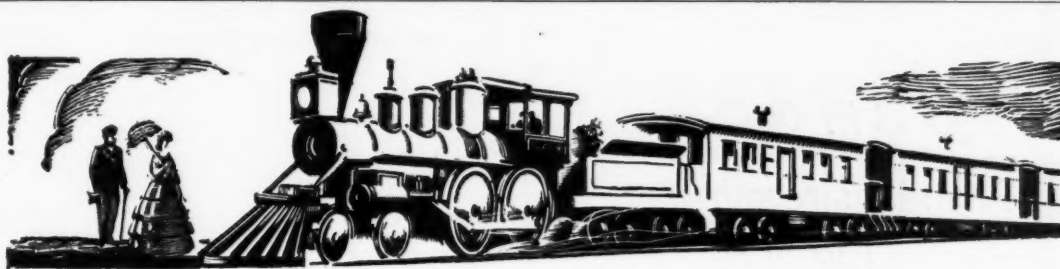
J. H. Edwards of Sedan, banker and for many years active head of the Old Kansas Life, Allen Torrey of St. Marys and H. A. Gehrke of Wichita are the Democrat candidates.

Public Adjuster Arrested

The Pennsylvania department has caused the arrest of J. J. Barni of Shamokin, for acting as a public adjuster without a license. He was held under \$500 bail for September term of court.

Westchester Agents Meet

The Westchester County (N. Y.) Association of Local Agents met Monday at the Gedney Farm Golf Club, White Plains, N. Y. W. T. Preston spoke on "Mutual Competition."



A Look AT THE PAST *and* THE PRESENT *and* A LOOK TO THE FUTURE

Big producers of the next ten years are laying or relaying the foundations of their success now.

They are assembling a clientele with whom they will prosper.

For seventy years accident insurance has been an ideal means of building a clientele.

Ideal because a man profits as he builds. There is no waiting for returns. They come immediately. They continue. And they grow.

In Travelers Accident policies, an insurance man has something that is attractive, that men and women need, that they can afford.

In The Travelers, the agent has a Company that the public accepts.

In Travelers service, the agent has something that makes his efforts permanently successful.

In the present upswing of business there is an opportunity.

Seventy years ago The Travelers started Accident insurance, the oldest and one of the largest of Casualty lines.

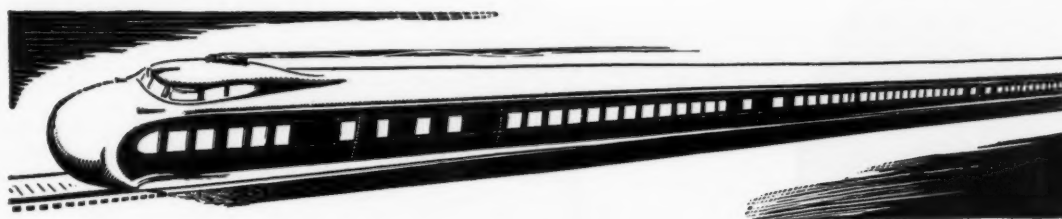
T H E T R A V E L E R S

THE TRAVELERS INSURANCE COMPANY

THE TRAVELERS INDEMNITY COMPANY

THE TRAVELERS FIRE INSURANCE COMPANY

HARTFORD, CONNECTICUT



Confidence

Financial strength
plus the loyalty of
employer and em-
ployee to right prin-
ciples of business
inspires confidence
and determines the
character of a company



Will Wrightem
(Field Correspondent)

THE YORKSHIRE
INSURANCE CO. LTD.
LONDON & PROVINCIAL
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Two
Conservative
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BOSTON INSURANCE COMPANY
OLD COLONY INSURANCE COMPANY

87 KILBY ST., BOSTON, MASS.

Parity in Loss Ratio With Mutuals Big Event in 1933

COMPETITIVE ADVANTAGE CUT

J. H. Hines, in Addressing Tennessee Fire Underwriters Association, Urges Field Men to Help Reduce Expenses

SIGNAL MOUNTAIN, TENN., June 20.—Attainment of practical parity on the part of stock companies in nation-wide loss ratio with non-stock companies was an outstanding event of 1933, according to J. H. Hines of Atlanta, southern manager for Crum & Forster. The loss ratio of stock companies was 47 percent, that of mutuals, excluding county farm and factory mutuals, was 45.6 percent and that of reciprocals and Lloyds 48.7 percent. He addressed the Tennessee Fire Underwriters Association.

"If we can maintain parity in our loss ratio with non-stock companies," he said, "we can make the road very rocky for agency mutuals. They cannot make headway under such a condition. Then it will become a contest between the direct non-stock companies and the stock companies represented by agents, with the differential in rates just a little more than the agent's commission. In other words, the agents must justify, in the eyes of the public, the commission they receive in order to hold public favor."

However, in Tennessee the stock companies did not make as favorable a comparison with the non-stock companies as in the country as a whole. The Tennessee loss ratio of 56 percent was an improvement over 1932, but nine of the southern states had a lower loss ratio than that. "The field men," he said, "must drag the hot spots and the hot classes out for discussion at their meetings. They must devise ways and means of curbing over-insurance. Those who pass the buck must change."

Ways must be found of reducing the expense ratio and the field men can help in this. Field men should take the initiative in closing or correcting agencies whose income is too small, underwriting record too bad or method of operation too unsatisfactory. Agencies that do not pay balances within 45 to 60 days probably are beset with some fundamental trouble such as excessive business or personal expenses, infirm collection policy, involvement with other businesses such as real estate, rents, loans.

Companies must join hands with the agents in behalf of legislation requiring all companies writing the same line of insurance to pay the same percentage of tax. There is essentially no difference in taxing the policyholders of a stock company and of a non-stock company. It is the people who pay the premium who also pay the tax.

The public must be made conscious of the benefits of the rating bureau so as to be willing to pay that item of the adverse differential in the cost of stock over non-stock insurance. It is an agency through which stock insurance performs a great social service, helping to establish proper standards of construction; of devices and materials in common use for lighting, heating, power, and fire protection for water works, fire departments and fire alarm systems.

Head of New Company Resigns

J. F. Ebeling of Wheeling, W. Va., has resigned as president of the newly formed Ben Franklin Fire of West Virginia, to devote his time exclusively to the real estate and insurance business.

Fellers Heads Florida Pond

W. F. C. Fellers of Jacksonville, past most loyal grand gander of the Blue Goose, was elected most loyal gander of the Florida pond at the annual meeting. Supervisor is A. H. Smith, Jr., Orlando; custodian, F. W. Brundick, Jr., Jacksonville; guardian, Tinsley West, Or-

COMPANY NEWS

Stockholders Give Approval

Rehabilitation Plan of Globe & Rutgers Including Change in Capitalization Is Formally Sanctioned

NEW YORK, June 20.—Formal approval of the plan for rehabilitating the Globe & Rutgers was given by stockholders at a recent meeting; they sanctioning at the same time changes in the capitalization of the institution.

First preferred stock bearing \$4 annual dividends will be purchased by a corporation created for the purpose by funds advanced by the Reconstruction Finance Corporation, and may amount to \$3,500,000, reducing a loan of the R. F. C. to the company by such amount.

Second preferred stock bearing \$5 annual dividends will be created with which to make partial payments to creditors having claims in excess of \$500 each; settlement to be on the basis of 50 percent cash and a like percentage in this stock. This issue will likely total \$4,000,000.

Third or junior preferred stock of \$500,000 has been subscribed for the placing of new capital in the enterprise.

Par value of common stock, hitherto the only stock of the G. & R., has been reduced from \$25 to \$15 a share, and now amounts to \$1,200,000.

The stockholders have elected as directors Earle Bailie, who is chairman executive committee Tri-Continental Corporation; H. Edward Bilkey, vice-president Globe & Rutgers; F. S. Freylinghuysen, president American Home, S. Gray, president Central Hanover Bank & Trust Co., Charles Hayden of Hayden Stone & Co., E. C. Jameson, Globe & Rutgers, Alfred Jaretzki, Jr., Sullivan & Cromwell, C. Jay of J. & W. Seligman & Co., S. McVeigh, Morris & McVeigh, E. G. Merrill, chairman Bank of New York & Trust Co., F. Randolph, president Tri-Continental Corporation, C. Ream, president American Reinsurance Co., R. Simpson, chairman executive committee Fiduciary Trust Company of New York, S. Sloan, chairman Missouri-Kansas-Texas Railroad, H. Swayne, chairman General Motors Acceptance Corporation, and J. Watson president International Business Machine Company.

Conklin and Pacific Board Men Discuss Pearl Status

SAN FRANCISCO, June 20.—A meeting of the executive committee of the Pacific Board and C. S. Conklin, United States manager of the Pearl, was held today to seek some mutual ground whereby the company would continue its membership in the board while correcting the condition created when it purchased the Eureka-Security and became closely affiliated with the Monarch which operate non-board general agencies on the coast. Rumors and reports have been rife in the insurance district that the Pearl, cognizant of the volume and low loss ratios of these non-board affiliates, may elect to withdraw from the board.

To Litigate Oregon Order

Three judges are to sit June 28 in the Marian county, Ore., court to hear arguments on the recent order by Commissioner Averill prohibiting the writing of participating fire policies in that state. The General of Seattle petitioned the federal court in Portland to restrain the commissioner from enforcing the order but this was denied on the grounds that up to the time of the hearing Mr. Averill had not attempted to enforce it.

lando; keeper, Clyde Higginbotham, Orlando; wielder, A. H. Park, Orlando.

AS SEEN FROM CHICAGO

ACHENBACH AT SUMMER HOME

W. N. Achenbach, manager of the western department of the Aetna Fire, has sufficiently recovered from his recent serious illness to go to his summer home at Bay View, Mich., where he will further recuperate until Sept. 1.

MILLERS NATIONAL OUTING

The annual picnic for the home office employees, field men and their families of the Millers National of Chicago was held Tuesday at the Crystal Lake Country Club. On Monday the field men went into a business conference with the various executives of the company.

A. H. GRUPE NEW MANAGER

C. A. Seibold, president of Jones & Whitlock, announces the election of A. H. Grupe as vice-president of Jones & Whitlock of Illinois, succeeding Frank M. Chandler. The operations of the Chicago office will consist of inland marine in addition to London Lloyds facilities which Mr. Grupe has possessed. Jones & Whitlock represents the State of Pennsylvania and the American Home in Illinois and undoubtedly when the Globe & Rutgers is back on its feet, that company will resume its place in the Jones & Whitlock office.

Mr. Grupe is a well-known insurance operator in Chicago, having formerly been a local agent and prior to that having been connected with the Continental Casualty as vice-president of the affiliated office of H. G. B. Alexander & Co. The Jones & Whitlock office remains on the 12th floor of the Insurance Exchange building, Chicago.

L. J. BRADDOCK PRESIDENT

L. J. Braddock, assistant western manager of the North America, was elected president of the Underwriters Grain Association at the annual meeting Tuesday. He succeeds John F. Stafford, retired western manager of the Sun.

H. A. Clark, western manager Firemen's, was reelected vice-president. The secretary is J. R. Donovan of the office staff and treasurer is Mrs. A. J. King. E. M. Schoen, western manager Atlas, was elected to the executive committee to take the place of Mr. Stafford. Following the annual meeting, the executive committee held a meeting and reappointed W. L. Lerch as manager.

The report of the executive committee, which was prepared by Mr. Lerch, referred to the Rialto elevator loss in Milwaukee, which amounted to about \$670,000 and the loss of the Missouri Pacific elevator at St. Louis, which is now in process of adjustment. That will probably be in the neighborhood of \$50,000. Premiums of the association for the first 10 months of the fiscal year are substantially ahead of the same period in the previous fiscal year, but the premiums for the current fiscal year, which ends Aug. 1, will be below the million dollar mark, which was regarded as about the standard figure before the depression. The association suffered heavy losses in the fiscal year of 1932 and 1933, but in any five year period in the association's history, profit has been made. Expenses have been reduced 40 percent since the time Mr. Lerch has been manager.

CULLISON IS RECOVERING

J. B. Cullison, manager of the Rain & Hail Bureau, is making a good recovery at his home in Evanston from a serious operation. He plans to visit his office next week, but he will not be on regular duty for some time.

PHIL MAVON JOINS FATHER

Another Mavon has gone into the insurance business in Chicago, Phil G., who just recently was graduated from Denison University at Granville, O. He is entering the office of his father, G. A.

Mavon, head of the G. A. Mavon & Co. agency, and for some time will learn the workings of the various departments. Later it is planned for him to do some field work. Mavon & Co. is general agent in Illinois for a number of fire and casualty companies and has built up a substantial plant throughout the state. Young Mavon proved himself an excellent student in college and won honorable mention for scholastic attain-

ments. He recently wrote a lengthy essay on life insurance, winning a prize.

Jervey Southern Department Secretary of the Travelers

Charles P. Jervey has been elected secretary of the southern department for the Travelers Fire to succeed Edmond Ewing, who was recently elected a vice-president of the company. Mr. Jervey has been associated with the Travelers Fire since 1925, previously having been chief examiner for the North America. At the same time a number of assis-

tant superintendents of agencies have been promoted to full superintendents of agencies. They are W. C. Kirkland, R. W. White, H. S. Jarvis, T. J. Butler and W. E. Boyd, Jr. They have been working under the direction of R. D. Safford, former superintendent of agencies, who was recently elected a vice-president. The new superintendents of agencies will be assigned to various territorial divisions and continue agency work with increased field and office activities. All of these men have been connected with the Travelers Fire since 1925.

Engelhard & Co. has been appointed a class one agent of the Employers Fire in Chicago.



"WHAT? OUR BAGGAGE LOST—AND FIFI WITH ONLY ONE SWEATER?"

Far be it from us to tell Mrs. Van Asterbilt or Mr. Jones when or where they will lose their baggage. But people do lose trunks and bags and personal items . . . in all kinds of places.

That's why we maintain a world-wide adjusting service . . . so that such folks can get back home, properly clothed.

Tourists' Baggage is just one of the whole range of marine policies which you can write through our Marine Department, Appleton & Cox, Inc., Managers.

* * *

It is our aim to provide agents with facilities for writing all kinds of property insurance. When may we send a representative to tell you about our complete services?

Agricultural
Insurance Company,
of Watertown, N.Y.

Empire State
Insurance Company,
of Watertown, N.Y.

Every type of property insurance for industry and the home.

NEWS OF FIELD MEN

Omaha Blue Goose Gathering Asks More Faithful Reports

Members at Outing See Johnny Goodman Play—A. H. Brown Is New M. L. G.

The field day of the Omaha Blue Goose drew large attendance. During the afternoon there was golf, many members preferring, however, to follow the game by Johnny Goodman, the National open champ in 1933, Rodney Bliss, runner-up in the national open amateur of 1934; Lawson Little, winner British amateur open in 1934, and Grant Cowdery, prominent amateur. Elmer Strake, National of Hartford, won first place and the cup in the Blue Goose tournament, with net 76. J. R. McLaughlin, North British & Mercantile, had high score.

After lunch a business meeting was held, officers elected being: Most loyal gander, A. H. Brown, Springfield Fire & Marine; supervisor, E. L. Crellin, America Fore; custodian, W. P. Blinn, assistant manager Nebraska Bureau; guardian, R. E. Glass, Western Adjustment; keeper, George Owens, state agent New York Underwriters; welder, E. V. Neuberger, Hartford Fire, reelected.

E. L. Crellin, chairman of arrangements for entertaining the International Blue Goose in Omaha in August told of plans for the gathering.

Mallalieu in San Francisco

A record attendance of members of the San Francisco Blue Goose greeted W. E. Mallalieu, general manager of the National Board. He was introduced by Wallace Kelly, Pacific Coast manager of the Seaboard and a former member of the New York pond, of which Mr. Mallalieu was once most loyal gander.

Mr. Mallalieu spoke briefly on Blue Goosedom.

WANTED

Large Chicago institution seeks insurance man with 4 or 5 years experience to assume charge of department purchasing and servicing all forms of insurance except life. Applicants not over 33 years of age. Write in complete detail to Box Y-66, The National Underwriter.

W. R. C. Stewart, in Presidential Address Before Tennessee Field-Men, Urges Balance Rule Support

W. R. C. Stewart, in his presidential address before the annual meeting of the Tennessee Fire Underwriters Association at Signal Mountain, urged members to make complete and regular reports of outstanding balances, as that is of first importance if the balance rule is to be effectively administered. He pointed out that in S. E. U. A. territory delinquent reports are made by the companies direct to the association and he expressed the belief that there are very few cases of failures to report. He said he did not advocate such a procedure in Tennessee, believing that the Tennessee field men should steer their own ship.

He recommended that the balance rule be changed so as to permit the calling of balance meetings, where two companies instead of three, report an agency as delinquent. This, he said, would tend to reduce the possibility of any one company gaining advantage in an agency by extending longer credit terms than are permitted.

Mr. Stewart said that a number of agencies are taking on companies for the writing of automobile business that are not members of the Western Underwriters Association. This practice should be curbed. A few mutual fire companies have actually entered stock company agencies and others have made overtures to such agents. Most of the agents are loyal to the stock companies, he said, but others are turning an open ear. The executive committee should be informed of all such developments and be on the alert. He recalled that the field club secured a change of the wording in the other insurance permitted clause, with the words added, "including this policy." This change should permit the companies to defend the clause with greater effectiveness.

Although the "hot town" program is carried on under the direction of the Tennessee Fire Prevention Association, Mr. Stewart took occasion to comment on it, expressing the belief that much money has been saved for the companies through this work and many agents have been educated to better underwriting.

He urged members to take more interest in reporting undesirable risks to

the secretary for publication in bulletin form.

John O. Street, in his address as president of the Tennessee State Fire Prevention Association, urged greater participation in town inspections. The field men should take enough interest in this work, to participate in an inspection, even though the company is not represented in the town. The work is not for the individual town alone but for the entire state.

Changes in Firemen's Field Facilities in Missouri Made

The Kansas City service office of the Firemen's of Newark fleet has increased service to Nos. 1 and 2 agencies in Kansas City. P. C. Hartman, who formerly traveled the state for some companies in the group, is confining his activities to Kansas City under John Battershill, state agent, while C. L. Tindall has assumed Mr. Hartman's companies out-state. Mr. Tindall now is state agent outside Kansas City, St. Louis and St. Louis county for the Firemen's, Milwaukee Mechanics, Girard, National Ben Franklin and Mechanics of Philadelphia.

St. Louis has a branch office now for all fire companies of the group to service agencies in St. Louis and St. Louis county, the branch office being operated in conjunction and cooperation with the branch office for casualty companies there.

Dakota Pond Field Days

Reservations for the midsummer splash of Dakota Blue Goose at Alexandria, Minn., June 29-30 and July 1, indicate there will be a large attendance. Welder H. O. Kallgren, Fargo, has 65 reservations out of the membership of 95. H. A. Paulson, Fargo, is general chairman. The business meeting and installation of officers is scheduled for Saturday morning. A program of sports for men and women is arranged for Saturday afternoon, including archery, clock golf, casting and quoits. An informal dinner dance in charge of Leonard Zell, Fargo, will conclude the day. A golf tournament is scheduled to be held Sunday. D. C. Brown, Fargo, is most loyal gander.

Mississippi Pond Annual Flight

The annual flight of the Mississippi Blue Goose will be held at Brown's Well, June 23. It will include a business meeting, initiation, golf tournament and a bridge party for the visiting ladies, with a dinner and dance in the evening.

Bush to American Group

W. P. D. Bush, former president of the Louisiana Rating & Fire Prevention Bureau and a representative of the Hartford Fire for several years in that state, is scheduled to become associate manager of the Carolina-Virginia department of the American group with headquarters at Greensboro, N. C., July 1. He is a son of the late Harry R. Bush, president of the Dixie Fire, one of the companies in the American group.

Honor Rearden in Los Angeles

W. B. Rearden, who has just retired as district manager in southern California of the Firemen's group to become second vice-president with headquarters in San Francisco, was guest of honor at a luncheon meeting in Los Angeles of the California Blue Goose, attended by over 40 of his friends. A cigar humidor was presented to Mr. Rearden by G. L. Camp, special agent Hartford Fire.

F. J. Shields With Home

The Chicago office of the Home has been given jurisdiction over Indiana for marine lines as well as its previous territory of northern Illinois—southern

Wisconsin and Michigan. Frank J. Shields has been appointed to travel the Indiana field. He has been connected with the marine department of the Northwestern National in Chicago and previous to that with the Providence Washington, traveling several states out of Chicago.

Under the new setup, Charles S. Williams of Columbus, who has been handling southern Indiana as well as Ohio, will concentrate on the Ohio field. J. B. Thomas is marine manager at Chicago.

Sorge Joins Virginia F. & M.

Joseph Sorge has been appointed state agent in New Jersey for the Virginia Fire & Marine with headquarters at 24 Commerce street, Newark. For the past five years he has been traveling in New Jersey for the Firemen's and Girard F. & M. Previously for five years he traveled in Florida for the Concordia. He gained his first experience with the Queen in the home office and field, spending 12 years with that company.

The Virginia Fire and Marine has just been licensed in New Jersey.

Illinois Blue Goose Slate

A. T. Ahlin, state agent for the Norwich Union, who has been custodian of the Illinois Blue Goose, is slated for election as most loyal gander at the annual meeting in Lake Delavan, Wis., Thursday evening of this week. Mr. Ahlin jumps one place to become head of the order because F. J. Breen of Chicago, assistant secretary of the Standard of New Jersey, who has been supervisor, has submitted his resignation.

The rest of the slate includes A. R. Miller, America Fore, supervisor; L. W. Brown, assistant secretary Firemen's, custodian; W. L. Schreiber of Peoria, National Liberty, guardian. A. J. Meyers, Automobile of Hartford and P. J. V. McKian, Western Actuarial Bureau, are slated for reelection as keeper and welder respectively.

L. & L. Names W. N. Robbins

W. N. Robbins of Lorain, O., has been appointed special agent in that state for the London & Lancashire group with headquarters in Lorain. For some time, Mr. Robbins has been associated with his brother-in-law, Howard K. Nichols in the local agency of Nichols & Robbins in Lorain. Mr. Robbins has now sold his interest in the agency to Mr. Nichols. Mr. Robbins makes the third field man with the London & Lancashire in Ohio. C. W. Chapplear is state agent and the other special agent is W. G. White.

After the war Mr. Robbins joined the Michigan Inspection Bureau and was placed in charge of the sprinklered and improved risks department. His next connection was with the Fidelity & Deposit, traveling in Ohio. Then he went into the local agency business.

Hold Joint Field Day

The Nebraska State Fire Prevention Association joined the Blue Goose in a field day held in the Field Club, Omaha. Secretary Paul Barr reported on activities. In the election of the prevention association, G. M. Beals was named president, C. L. Day, vice-president, Paul Barr reelected secretary-treasurer. Mr. Beals is connected with the Scottish-Union & National, Mr. Day with the Northern British & Mercantile and Mr. Barr with the Hanover.

Axman Heads N. Y. Pond

Clarence Axman, editor of the "Eastern Underwriter," was elected most loyal gander of the New York City Blue Goose at the annual meeting in Newark. Supervisor is E. W. Dart; custodian, Richard Monohan; guardian, F. L. Bross; keeper, S. Howard; welder, C. W. Buchenberger.

Delegates to the grand nest meeting in Omaha are Mr. Axman and S. A. Mehorth, grand supervisor of the Blue

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"557 Ways to Save Money on Insurance"

Have you ever felt the need for a reference handbook covering all fields of insurance that you could turn to and immediately, in a few words, find the answers to the following questions?

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Goose. He will be elected most loyal grand gander at the annual meeting.

Joins Western & Southern

R. E. Metzger, well known in insurance circles in Ohio and the bordering states, has been appointed Ohio special agent of the Western & Southern Fire. Mr. Metzger was for many years superintendent of the Columbus office of the Ohio Inspection Bureau, and later a special agent for the Fireman's Fund in Ohio. Recently he has been manager of a large insurance agency in Columbus. Mr. Metzger will be located at 404 Beggs building, Columbus.

B. J. Rix to Michigan

Bernard J. Rix, assistant manager of the survey department in the western department of the Great American, has been transferred to Michigan, as special agent with headquarters in Jackson. He is the fourth field man of the group in that state. He has been connected with the Great American about nine years, his previous experience having been with the Continental and with Fred S. James & Co. of Chicago.

Fete Stock Fire Team

TOPEKA, KAN., June 20.—The members of the "Stock Fire Insurance," team of the American Legion Boys Baseball League, were guests today of the Blue Goose luncheon here. The team is sponsored by the stock fire insurance field men, adjusters, inspectors and also the local agents belonging to the Topeka Board. The team is now

in first place, having won three and lost one game.

Sunflower Puddle Golf Winners

Prize winners in the first golf tournament of the Sunflower puddle of the Blue Goose at Wichita were Don Davis, Royal; Shelby Holmes, American; G. M. Montgomery, Western Adjustment; William Barrett, McNight General Agency; J. H. Boucher, Western Adjustment, and R. N. Lathan, North America.

Woolley Speaks at Spokane

SPOKANE, WASH., June 20.—At the semi-annual meeting of Special Agents Association of Spokane, J. R. Woolley, manager of Washington Survey & Rating Bureau, spoke on the recent changes in rules and tariffs.

Move Cincinnati Offices

The offices of the North America group in Cincinnati are being moved from the Mercantile Library building to the Carew Tower.

Knutsen with General

Ford Knutsen, formerly of the M. D. Knutsen & Sons local agency, Astoria, Ore., has been appointed special agent for General of America with offices in the Board of Trade Building, Portland.

R. D. Ward, Seattle special agent for Firemen's of New Jersey, has a new daughter, Frances Anne.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

BIG FINES AGAIN PONDERED

Progress was reported, following a meeting of the advisory committee of the New York Fire Insurance Exchange, in handling the problem created by the action of the exchange in fining the Automobile of Hartford and the Travelers Fire each \$10,000 for violation of the rule governing payment of brokerage to office agents of casualty and life companies affiliated with fire companies. Head office officials as well as New York managers of the Travelers Fire and Automobile attended the meeting of the advisory committee. Another meeting will probably be held this week.

At the regular meeting of the exchange, preceding the advisory committee meeting, amendment was adopted to the dwelling catastrophe cover to permit its attachment to any one or more of the items in the fire policy. The landlord's furnishings clause was amended to permit insuring of gas and electric cooking equipment as part of the building, at the building rate.

The congested district charge in the Harlem district was removed from the contents of those risks which conform to the building code requirements as to fire proofing to the first floor, where the exchange so certifies by proper publication for each risk.

Pending further conferences with the New York department, all property formerly rated under the rule dealing with general minimum or class rate for buildings and/or contents in the non-fire-proof mercantile schedule will be re-rated.

The full survey report on non-fire-proof buildings was extended from three to five years. The life of the affidavits of value for average rates was extended from one to three years.

BROKERAGE FIRM SUES

The Home, several of its affiliated companies, some of its officers, the Anchor Brokerage Company and others have been sued for \$68,306 by the Hancock Brokerage Company of New York on the ground that a contract by which the Hancock Brokerage Company handled the insurance for the United Hotels Company of Niagara Falls, N. Y.,

was repudiated by the hotel company in 1929, at the instance of the Home and the business was turned over to the Anchor Brokerage Company.

* * *

CENTRAL BUREAU REPORT

Manager Charles Stultz of the Central Bureau of New York reports a further decrease in unpaid earned premiums in January. Entries reported in January by fire companies were 9,638, a decrease of 2,130 from January, 1933, and unpaid earned fire premiums were \$32,587, decrease of \$12,173 from January, 1933.

Casualty company entries amounted to 6,214, a decrease of 751 from January a year ago. Unpaid earned casualty premiums were \$140,466, decrease \$18,297.

Total payments made subsequent to filing of report are: fire \$323,381, casualty \$1,964,152.

* * *

W. F. BEYER ELECTED CHAIRMAN

At the organization meeting of the directors of the National Automobile Underwriters Association, Walter F. Beyer, secretary of the Home, was elected chairman of the board and R. I. Catlin, vice-president of the Automobile of Hartford, was elected vice-chairman.

J. L. Thomson's New Function

James L. Thomson, formerly of the brokerage firm of Thomson, Fenn & Co., has been elected vice-chairman of the finance committee of the Hartford Fire. He assumes the functions formerly performed by the late Charles E. Chase. He has been a director of the Hartford Fire about six years.

Blackhawk Puddle Launched

The Rockford and Freeport unit of the Illinois Blue Goose has been formally organized as the Blackhawk puddle with about 30 members. The bullfrog is L. S. Braman, Security of New Haven; tadpole, Thompson Stewart, office manager Crum & Forster, and croaker John P. Hoffman, chief engineer American.



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North America as "The Oldest American Fire and Marine Insurance Company — founded in 1792," holds an unique position in the confidence of the insurance-buying public. North America is constantly adding to that prestige by its consistent national advertising.

See the North America full page advertisement in The Literary Digest, June 16, and Time, June 18

Insurance Company of North America PHILADELPHIA

and its affiliated companies write practically every form of insurance, except life

Founded 1792
Capital \$12,000,000
Surplus to Policyholders over \$45,000,000



New Fraternalism Attained in Rally

(CONTINUED FROM PAGE 2)

of fair practices for self-regulation in industry," when the board of directors drafted the North Carolina articles at a meeting Aug. 4, 1933.

President Coghill's four-minute extemporaneous report dealt briefly with progress in the year, paying special tribute to other officers and Manager Saint. Despite withdrawal of 78 agents, membership gained 53, Manager Saint reporting 131 new members and reinstatements, with total membership 365 as compared with 312 last year.

Beneficial results from operations of the joint special agent-local agent conference committee's informal sessions were reported. Reports of various officers showed improved conditions.

Frank Priest Gives Aid

The address of Mr. Priest differed from the usual presentations of its kind in that instead of recounting accomplishments of the National association, it reviewed problems briefly and gave suggestions by which agents can better their business and general production.

Commissioner Boney compared provisions of the NRA code prepared by the National association and the code drafted for the North Carolina organization.

The desire of field men for cooperation and service was presented by Mr. Cheshire, and Mr. Hill offered facilities of the North Carolina bureau whenever possible.

A round table discussion, led by Manager Saint brought out discussions on cut rate practices, countersignature of policies, foreign brokerage business, non-admitted companies and brokers, standardized exchange by-laws, prohibition of inter-agency overhead writing, adoption of standard mortgage clause restriction of standard automobile policies to eliminate guest coverage and omnibus coverage, compensation insurance, automatic cancellation clause, non-stock brokerage, regional meetings, mutual competition, methods of agency efficiency, legislation and a number of other topics.

A "family supper" the first evening took the place of the stereotyped annual banquet.

Three Features in Program

Developing from the reconstruction plan are three specific features for the program this year, establishment and operation by the association of a clearing house for information and facilities for combating mutual competition, intensive methods for enrolling membership of 500, organized plans for meeting legislation in the state general assembly which convenes next January and is expected to develop many radical tendencies.

The clearing house advisory plan was announced at the final session. A joint conference on stock insurance salesmanship and competition made up of representatives of the association and the North Carolina field men's conference has been organized.

Fieldmen Are Cooperating

All information regarding mutuals and mutual competition will be gathered and distributed to the local agents by the joint conference. The field men's conference with its facilities for procuring information is cooperating closely.

Preliminary work had been done by the agents' committee headed by McAlister Carson and the fieldmen's committee, with Wellborn Colquitt chairman. It is the purpose for agents to capitalize upon their association membership.

The North Carolina field men have done splendid work through the mutual committee of their conference, there being no mixed agencies in North Carolina.

Greetings were extended from the American Association of Insurance

General Agents by Bernard Carter of Gordon, Brown & Carter, Richmond general agency.

Outstanding in the resolutions, which were submitted by a committee composed of Chairman Albert Orr, S. J. Fisher and C. V. Sharpe, was one urging that the North Carolina legislature be requested to grant sufficient appropriations for the insurance department properly to enforce insurance law. Companies of the Southeastern Underwriters Association were requested to use lighter weight paper for policies so as to save agents postage expense.

Appreciation was expressed for the recent ruling of Commissioner Boney requiring countersignature of policies by resident agents. Work of the Southern Agents Conference was endorsed. Thanks were expressed to General Chairman L. E. Dimmette of the entertainment committee and agents of western North Carolina, speakers and General Agents Gordon, Brown and Carter of Richmond for the dance tendered.

Resolutions of regret were passed on account of the deaths of Mrs. A. I. Wolff, wife of the National association president, and Past President J. L. Case and Percy H. Goodwin. Especial appreciation was voted for the address of Mr. Priest.

Favor Standard Policy

The convention went on record favoring enactment of a state law providing for a standard automobile policy for all classes of insurance companies. Support was pledged Governor Ehringhaus in his efforts to rebuild the fiscal condition, rural and educational system of the state without increase in ad valorem tax.

Discussion of municipalities carrying mutual insurance as well as general mutual insurance occupied practically all of the final session. The subject was referred to the joint conference on stock salesmanship and competition. The association voted, urging that the source which furnishes an agent with forms and supplies be requested to withdraw such supplies when an agency is closed. The association went on record to continue the services and program of the joint conference, the conference to be known as the joint mutual committee to be composed of five members from the association and five members from the fieldmen conference.

The association stood in tribute to the former presidents. Invitations for next year's meeting from Hendersonville and Raleigh were filed with the board, which will designate the 1935 convention city.

Saint Calls for Leadership

John D. Saint, manager of the North Carolina association, in his address called upon agents to assume leadership in clearing up bad practices. The indifferent agent must be eliminated, he said, and the leadership must not permit itself to be imposed upon through the appointment of irresponsible side line agents.

Mr. Saint said that in these days of recovery, any agent who is falling behind or who is just holding his own, is in danger of stagnation. Agents again must learn the art of labor and must strive to recover lost ground.

Speaking of separation, he said that in North Carolina, the movement is not expected to affect the relationships of agents with the companies and until it does the association should retain a strictly neutral position. The association is concerned with fair competition and ethical practices and so long as members hold to these high principles there is no right to voice opinion as to company representation. He expressed the belief, however, that out of the strife may come new leadership which will benefit both agents and companies.

Every agent, he said, should lend his

effort toward bringing the better elements of insurance together. Unless this is done, he said, there are likely to be three contesting elements among the companies. One element will consist of the companies that remain steadfast to ethical standards; then there is likely to be the group that is breaking away from the regulars and establishing themselves as independents. The third group, he said, would consist of those companies which have no standards and recognize none. Those in the latter group are the ones responsible for demoralizing the business and should not be represented by agents of standing, he said.

Vice-president McAlister Carson urged the members to redouble their efforts in behalf of increasing the membership. The association went ahead during the depression, he said, and now that business is recovering there can be no excuse to halt the progress. The goal is 600 members.

Membership Now 365

Secretary W. deR. Scott of Graham announced that as of June 1, the membership stood at 365. The North Carolina association is tenth in numerical strength among the various associations. A large membership is of first importance. It brings about discipline, induces respect on part of the companies, enables control over evil practices and supplies financial support.

Treasurer L. M. Connor of Raleigh explained the method of changing the fiscal year and how the change brought a return of one-fourth year dues which had been prepaid, thus causing the association to operate a whole year on only nine months' revenue. He recommended that if agents want the privilege of paying their dues quarterly, they should not burden the association by requiring second and third notices.

PERSONALS

Floyd West, head of the general agency of Floyd West & Co., Dallas, is reported to be well on the way to recovery following an emergency operation which was the outcome of an operation several years ago for appendicitis. His condition was extremely critical at the time he was taken to the hospital.

Wm. T. Read, president of the Camden Fire, has been critically ill with a heart attack but is now in better shape. He will be confined to his bed for some time. He is an investment man and attorney and handles the company's legal work.

Gustavus Remak, president of the State of Pennsylvania, in his college days was a celebrated football player. He took his undergraduate and law course at the University of Pennsylvania. He played on the "varsity" team for six years as fullback and then half back. It was in his day that interference was devised in football playing.

K. S. Dargan, of Cravens, Dargan & Co. of Houston, is visiting that firm's companies in the east. He has been at the New Amsterdam Casualty office in Baltimore, then journeyed to Camden, Philadelphia and New York.

Charles Cox, Princeton, Ky., insurance agent, lost his daughter, Miss Maurelle Cox, 18 years old, high school student, by death. A younger daughter, Wanda, 10 years of age, died a week earlier. The cause of the two deaths has not been determined.

Employees of the Eagle Star & British Dominions, the Lincoln Fire and of Talbot Bird & Co. will have a joint outing at Indian Point, on the Hudson, Thursday, a special steamer having been engaged to carry the party up the river. Enroute and at the resort dancing and other entertainment will be enjoyed.

Agents of Virginia Oppose Practices

(CONTINUED FROM PAGE 2)

The first day was devoted to executive matters. Invocation was by the Rev. H. P. Blakely, pastor First Presbyterian Church. Mayor Cottrell tendered a welcome and response was made by J. T. Catlin, Danville, former association president.

In presenting greetings from general agents at the second day session, L. E. English, Richmond, referred to the fact that insurance on some state-owned property in Virginia had recently been placed with other than stock companies and that large premium was involved. "Regardless of the legal right the person who ordered the insurance had to place the cover," he said, "it seems to me that the organized agents could wield a powerful influence by presenting to those in power a chart showing Virginia state and Virginia municipal bonds owned by the stock companies and the ratio of such ownership to the total for all fire companies entered in Virginia. Then the demand should be made that stock agents be given their proportionate share of the business. If you were to analyze the statements of all fire companies entered in the state and classify all bonds and stocks showing their relation in each section, city or community in Virginia, and also compile figures showing the number of stock company and agency employees, their salaries, ownership of property taxes paid and other pertinent information, I am sure that no fair-minded person would desire other than stock insurance if the picture be presented in the best light."

Field Men Extend Greeting

In presenting greetings from the field men, D. L. Coulbourn, state agent National of Hartford and nephew of Colonel Joseph Button, former Virginia commissioner, said field men formerly were looked upon by agents as policemen or game wardens of the business, but the field men are greatly dependent upon agents to maintain ethics and integrity of the business. Field men used to look upon local agents as merely a necessary means to the end, but now are dependent upon the agents' loyalty.

A surprise speaker the second day was T. W. Ozlin, member state corporation commission with supervision over the insurance department. He outlined functions and activities of the commission insurancewise, referring to the order entered Dec. 6, 1933, fixing rates for automobile liability and property damage. He said the limitation of acquisition costs to 20 percent, which many agents opposed, was conceived by the commission to be to the best interests of the public, agents and insurance companies. The automobile business, he said, was in rather chaotic condition and degenerating into a rate war. It seemed there was no place where reductions could possibly be made other than in acquisition costs. He said the commission did not intend to limit agents' commission for writing this business, although he admitted in some instances the order did have such an effect. The commission had hoped the companies would in some way absorb the reductions and permit agents to get the same rate of commissions. One good result, he said, was the stopping of indiscriminate deviations from established rate. For the first time the principle was laid down that deviations from fixed rates would have to be justified.

Disagreement Is Harmful

In a paper on "Company and Agents Cooperation," C. J. Duke, prominent local agent of Portsmouth, who was chairman legislative committee last year, spoke of instances in which companies and agents disagreed and did not appreciate the honest difference of opinion which existed between them. The effect, he said, has been harmful. He

asked how public confidence could be stimulated and held in face of such disagreement. Problems between companies and agents should be settled by conference and cooperation, he held. Legislative remedies for ills are unwise and seldom have the desired effect.

The legislative committee reported that the commission to codify Virginia insurance laws did not complete the work in time to report to the general assembly. The work is being carefully and systematically done under supervision of the insurance department and when completed, Mr. Duke said, should accomplish many needed reforms. The committee has been cooperating with the commission, placing especial emphasis on agency qualifications, a section to curb the practice of placing business in non-admitted companies. The committee's recommendations, he said, received favorable consideration.

Public Relations Report

The report of the public relations committee read by W. J. Perry, Jr., Staunton, chairman, showed that much data on specialty mutuals has been collected and distributed. "We all know that these companies cannot write automobile insurance at half our rates and actually pay their large claims," he said. "We were successful in giving newspaper and word of mouth publicity on unpaid claims of these specialty companies. While I do not believe that paid newspaper advertisements, even setting forth the limitations of another company's policy, are advisable, I do think that all the news items we can get in our daily papers which would tend to show up the operations of these companies will assist us in overcoming spurious statements made by their agents and the rosy promises set forth in their pamphlets."

He reported a proposal has been studied for adoption of a standard automobile policy in Virginia. Opinions of agents are divided. It was thought best to hold off for the time being and watch developments in West Virginia which has just adopted a so-called standard policy.

At the executive session, W. O. Wilson, Richmond, past president Virginia association and member executive committee National Association of Insurance Agents, discussed activities of that organization.

The evening before the opening of the convention a number of past presidents held their annual banquet and conference. Only two of the past presidents, it was recalled, have passed away since organization, L. W. Childrey, Norfolk, and C. P. Walford, Jr., Richmond.

Meeting Price Competition

The best method of combating price competition is for the agent, not only to meet the most obvious requirements of his customers, but through intelligent consideration of exposures, to endeavor to supply complete and adequate protection. This was the conclusion of Lewis C. Adair, resident manager in Atlanta for the Fidelity & Casualty, in addressing the Virginia agents. The vision of too many agencies, he said, does not extend beyond automobile and compensation. These are the lines that are written by any number of various types of specialty companies as well as by the old line multiple line offices.

To go beyond these obvious coverages and present a complete insurance program causes the agent to assume the status of adviser. The foundation of the agency structure should be the sale of agency service and emphasis on the wisdom of patronizing sound companies.

Agents too frequently assume the assured is much more familiar with insurance matters than they are. Few people stop to think that an insurance company must get from its policyholders the cost of the commodity it sells. It must get the cost of handling and the cost of acquiring the business. If it consistently secures less than that, it must give less or eventually go out of the business.

Attention should be centered on the thing that prompts the purchase of the

insurance, which is the situation that will exist when a claim arises and a very substantial sum is involved. Emphasis should be placed on this point.

The judgment of business men can be appealed to, by comparing their business with insurance, causing the prospect to reflect on his own conviction that a competitor of his who is underselling by 20 or 25 percent is sure to go broke or must deliver inferior service.

Specialty Lines Boosted

C. D. Minor, superintendent special service department Royal-Liverpool group, in addressing the Virginia agents, urged solicitation of special lines from every property owner to whom these coverages are applicable.

The new 80 percent use and occupancy coinsurance form offers an excellent sales weapon, he said. This form costs about the same as the old 100 percent clause and consequently there is what amounts to a 20 percent reduction in rate. This is an excellent instrument with which to compete with the so-called reporting form of cooperative companies.

Fine Opportunity Today

Opportunities for development of U&O are greater today than they have been for the last four years, he said. A definite improvement in business in recent months has been accompanied by a noticeable increase in the amount of U&O written. Concerns which carried the coverage previously, but dropped it during the depression, are excellent prospects. Even during the prosperous days of 1926-29, only a small percentage of those firms needing U&O carried it, thus indicating that the field has not been scratched.

Mr. Minor also urged solicitation of explosion insurance. The cost is exceedingly low, but it is a coverage needed by practically every property owner. He estimated that a million dollars damage a month is done as the result of explosions. Besides accidental explosion there is the menace of malicious explosions or bombings.

Riot and civil commotion offers opportunities today. Although this coverage is usually purchased during times of labor trouble, it is a form of protection which should be carried as a permanent part of the insurance program.

Findlay Is Elected Head of Canadian Fire Underwriters

W. E. Findlay of Montreal, manager for the Springfield F. & M. and Sentinel, was elected president of the Canadian Fire Underwriters Association at the annual meeting at Murray Bay, Tuesday. The gathering will continue in session several days. Prominent among subjects in the extensive agenda is separation in the provinces of Ontario and Quebec, such regulation being in effect in all other sections of Canada. The initial move in the program upon which managers have been working for three years is to secure cooperation upon fire, automobile and casualty business, lines most of the British and Canadian companies are empowered to write under their charters.

Manager Staid of the Dominion board, analogous to the Insurance Executives Association of this country, is an interested observer at the meeting.

Canadian Fire Figures

Total fire premiums of \$42,787,000 were written in Canada last year, the provinces of Ottawa and Quebec producing \$25,183,000.

Employees Banquet Officers

D. F. Cox and other officers of the managerial corporation of Appleton & Cox, were guests of their employees at dinner on the evening of June 19. The affair was intended to evidence the appreciation by the staff of the considerate treatment accorded them at all times by the management.

STATEMENT of AMERICAN RESERVE INSURANCE COMPANY

99 JOHN STREET

NEW YORK

December 31, 1933

| ASSETS | | LIABILITIES | |
|---|----------------|--------------------------|----------------|
| Cash | \$ 290,060.78 | Premium Reserve | \$1,911,169.12 |
| Bonds and Stocks | 3,960,230.23 | Reserve for Losses | 287,581.00 |
| <i>(Insurance Department Valuations)</i> | | Reserve for All Other | |
| Balances with ceding companies (not over 90 days due) | 507,498.29 | Liabilities | 24,000.00 |
| Mortgage Loans | 2,100.00 | *Contingency Reserve .. | 552,757.00 |
| Accrued Interest | 22,259.99 | Capital | \$1,000,000.00 |
| | | Net Surplus | 1,006,642.17 |
| | | | 2,006,642.17 |
| | \$4,782,149.29 | | \$4,782,149.29 |

*This reserve represents the sum required to place all of the Company's Stocks and all of its Bonds, not amortized, on a basis of actual market valuations as of December 31, 1933.

THOMAS B. BOSS, Pres. E. L. MULVEHILL, Secy. & Treas.

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CLEVELAND, OHIO

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more than \$1,000,000.00

Ralph Rawlings, President

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PERSONAL SIDE OF BUSINESS

The St. Louis board of education has accepted the offer of **Jesse P. Henry** and **Carl P. Daniel**, partners in the Daniel & Henry agency of that city, to pay the expense of preserving the childhood home of Eugene Field, the children's poet, at 634 South Broadway. Mr. Henry particularly is interested in Americana.

P. L. Lake, veteran special agent for the St. Paul Fire & Marine at Wichita, Kan., who has been laid up since the middle of April, much of the time being in a hospital, is able to return to his field this week.

J. I. B. Reiley has just celebrated his 30th anniversary as an agent of the National Union Fire at Phillipsburg, N. J. He has been in the insurance field for nearly 50 years.

H. H. Howell, 66, former president of the Hawkeye Fire, died in Des Moines after a long illness. His father, Adam Howell, was for many years president and secretary of the Hawkeye. H. R. Howell began his insurance career as a solicitor. In 1891 he became a partner in the agency of Ingersoll, Howell & Co., Des Moines. Later he was made adjuster for the Hawkeye and advanced to the presidency in 1905. Five years later the company merged with the Des Moines Fire Insurance. He remained as head of this company until 1913 when it was taken over by the Fireman's Fund.

E. H. Sigison, 60, manager of the Buffalo office of the New York Fire Insurance Rating Organization for the past 11 years, died June 16 after a short illness. He began his insurance service in 1901 as an inspector for the Buffalo Association of Fire Underwriters. He was made manager of that association in 1911 and in 1923 was chosen to manage the rating organization in the Buffalo district, continuing in both capacities until his death.

Crosby Owens of the local agency of Pratt & Owens, Eugene, Ore., was married in San Francisco Saturday to Miss Marian Harvie. He is a son of Craig Owens, superintendent of agents in the Pacific Coast department of the Atlas. He has been signally successful in the agency business and has served as president of the Eugene agents' association.

Herman Louis, representative in Hawaii of the Fidelity & Guaranty Fire, is making his first visit to the home office since his appointment in Hawaii. He has been representing the company there for the past three years.

Price K. Johnson, editor of the "Cravens, Dargan Review" and since 1912 a member of the staff of Cravens, Dargan & Co. in Houston, Texas, has just completed a combined pleasure and business trip to San Francisco.

Hyde Clarke, chief surveyor of the Arizona Equitable Rating Office, is honeymooning on the Pacific Coast. Mr. and Mrs. Clarke, who were married in Los Angeles last week, visited San Francisco, Portland, Ore., and other points. Mrs. Clarke was Mrs. Janie Lee Walker of Los Angeles.

Orie D. Olson of the Alexandria agency, Alexandria, Minn., was married recently to Miss Theresa Marie Erickson, daughter of Mr. and Mrs. Oscar Erickson of Alexandria. The couple is on a wedding trip in northern Minnesota and Canada.

F. J. Hummel, Sr., 70, for 40 years a leader in Louisville insurance circles, died at his home from a heart attack. He had been in ill health for four years. He was a member of the firm of Hum-

mel & Meyer and was active in business until 1930. One of his sons, H. H. Hummel, is assistant manager of the Kentucky Actuarial Bureau. The other, F. J. Hummel, Jr., was connected with his father in the Hummel & Meyer agency.

E. S. Inglis, vice-president of the Corroon & Reynolds companies, who is now on the Pacific Coast arranging with Resident Manager R. R. Chapman details for handling the recently established departmental office for the group, is accompanied by "Jim" A. Corroon, one of the younger sons of R. A. Corroon, president of the Corroon & Reynolds group. Before returning home about a month hence they will visit agencies in the Pacific northwest, Salt Lake City, Denver, Omaha and Chicago.

R. R. Wilde, secretary of the Corroon & Reynolds group in charge of western business, left on an agency trip through the central west, planning to spend some time in Michigan and other states.

Neal Bassett, head of the Firemen's of Newark group, who sailed for Europe several weeks ago to enjoy the first real vacation he has had in 35 strenuous years, was sightseeing in Rome when last heard from. He planned going from there to other historic and art centers upon the continent before returning home.

Merrill Ohling, who was recently elected president of the Oregon Insurance Agents Union, has been copartner in the Homer H. Smith Agency of Salem since 1922. He entered the insurance business in 1919. He started working for Mr. Smith while attending Willamette University and became interested in the business in that way. He has served as a member of the executive committee of the agents' association for three years and has been chairman of the committee for two years.

The famous Ohio Deatrick family is again making itself more notable. Mrs. R. S. Deatrick, daughter-in-law of the late C. T. Deatrick, for many years Ohio State agent of the Home, received the degree of bachelor of science from Ohio State University in music education. She was the wife of the late R. S. Deatrick, who was special agent for the Home under his father, C. T. Deatrick.

Her son R. S. Jr., was present when his mother was awarded her degree. She spent two years at the university. She formerly taught music in the Celina, O., school and plans to get her master's degree at Columbus. Mrs. Deatrick later saw her son graduate from North high school. There are two other sons, W. D. and C. T.

Sam T. Morrison, prominent local agent of Iowa City, and Mrs. Morrison announce the marriage of their daughter, Cora Adelaide, to Calvin T. Hoskinson.

A. G. Thacher, counsel for the joint committee on interpretation and complaint under the uniform definition of marine writing powers, entertained the members of that committee, together with several other guests, at the Timberlake Country Club on Long Island.

A. H. Talmage, assistant manager of the Pacific Coast department of the North British group, and his bride, who was Mrs. Katherine L. Small of Oakland, Cal., are on an eastern trip, visiting El Paso, and Athens, Ga.

B. D. Cole, West Palm Beach, Fla., agent, has been spending a week in the east visiting some of the insurance offices in Newark and New York.

Two Viewpoints Must Be Harmonized

BROKERS and agents frequently complain of the loss of business to non-affiliated institutions and claim the rules of the governing organizations for granting coverages are too rigid and are not adapted to meet changing demands of other lines of endeavor. To a degree the charge may be justified to a limited extent but a comparison of the practices in vogue in the fire field today with those formerly followed will show that forward strides have been taken along many lines. Forms have been liberalized, the average premium rate steadily reduced, facilities for handling risks of large aggregate values created and concessions of various kinds granted assured not previously allowed or even suggested. While greater liberality in certain directions might and probably will be allowed from time to time, the conservative managers recognize that they are engaged in a hazardous type of business and that assets accumulated through years of patient effort are subject to sudden and per chance complete depletion through a sweeping conflagration at any time. They thus feel they are justified in moving with extreme caution when changed methods are advocated.

Organization rules are adopted to meet the general run of business and not to fit special cases. In 1933 the NATIONAL BOARD'S 210 stock companies wrote \$405,200,553 fire premiums, based on carefully selected risk classifications. In hearing appeals from the producing force for special concessions for this, that or another particular risk the company official must and does keep well in mind the effect any modification of a rule based upon an average condition will have upon the business as a whole, appreciating that the profit margin in fire insurance is and for long has been exceedingly small.

Company officials appreciate that a distinct change has occurred in the attitude of the average local agent toward his home office in recent years. The local man is largely a premium producer today instead of an underwriter. Company managers are very largely to blame for this regrettable condition. The freedom with which they appointed local representatives, with scant regard for their character or business qualifications discouraged all incentive for the conscientious agent to select risks carefully as the lines he refused for his companies would in many instances be freely written by other offices, perhaps even by those affiliated with companies in his own agency.

If rules governing the acceptance of business were of such flexibility as to permit wide variation, agents as well as companies would soon be in sharp competition one with another and all stability in underwriting methods would be at an end.

In endorsing organized effort and regulations it must not be inferred that room for modification to meet general business practices is not desirable. On the contrary, it should follow, though only with the broad interest involved kept in mind. We are prone oftentimes to become impatient of the pace with which reforms are inaugurated, forgetting that changes of lasting value come about slowly and are based upon long experience.

Extending One's Contacts

MANY successful field men find that it pays to make friends in various points with other agents than those representing their company or companies. They may visit other agents on a friendly basis, making their acquaintance and get on friendly terms. They may not have a single thing to offer or anything to ask. However, they feel there is no tell-

ing when they may need a friend at court. Therefore, some friendly agent outside of one's own business family in a city may be decidedly welcome at some future time. It would pay every field man to use some of his spare moments on agency business to cultivate a few other offices in the city, for the benefits might come back two-fold.

NOT RESPONSIBLE
PERSONAL PROPERTY
Unless Checked
with the
MANAGER

Your clients cannot hold YOU responsible for lost personal effects if you have told them about our All Risks Personal Effects Policy.

PROVED BY THE ACID TEST OF TIME

The AMERICA FORE GROUP

THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,



of Insurance Companies

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

ERNEST STURM, Chairman of the Boards
BERNARD M. CULVER, President

New York, N.Y.

NEW YORK CHICAGO SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Report on Results in Omaha

Company Officials State Business Production Is Booming in Spite of Drouth

Insurance companies with headquarters in Omaha say the early drouth conditions and other unfavorable factors undoubtedly were a severe blow to business, nevertheless, they report volume increasing month by month with improvement over last year running from 15 to 100 percent.

Estimates made by officials of some companies with headquarters in Omaha are:

Travelers' Health Association, Elwood Pratt says, "A very substantial increase over a year ago."

Physicians Casualty, E. E. Elliott says, "Our business is showing an improvement over last year, and 1933 was very satisfactory."

National American Fire, J. E. Foster says, "Increase over last year is 50 percent, and losses only about 50 percent of those a year ago. Each month this year to date has exceeded any corresponding month in our history."

National Security Fire, Denman Kountz says, "This year is showing marked improvement over 1933, and last year was the best we ever had."

Rules All Members of Group Must Charge Same Rates

Commissioner Dawson of South Dakota has issued an order to the effect that companies which are members of the same fleet may not use different rates. He said the attention of the department has been brought to the fact that one company member of a group may make a filing of the rates promulgated by the Fire Underwriters Inspection Bureau of Minneapolis, while another company in the group may make a filing of certain deviations below the board rate. Such rate filings, he stated, amount to discrimination. After July 1 the rate filings of all companies in a group must conform to the board rates or there must be uniform deviation below those rates.

Establishing Ohio Plant

COLUMBUS, O., June 20.—The Northwestern Mutual Fire of Seattle has established approximately 75 agencies in Ohio within the last few months, according to H. M. Hare, state agent. It has been operating in Ohio about 15 years on a reinsurance basis. Several months ago it opened a branch office in Columbus, and is now operating on an agency basis also. All of the Ohio business is now being handled through the Columbus office.

New Company Lineup Given

The consolidated office of Warner & Co. and the Hull agency of Fargo, N. D., is representing all of the companies that were represented in the two agencies. The companies represented in the Warner & Co. agency before the consolidation are the Connecticut, Phoenix of Hartford, Home, Fire Association and Reliance, North America, Liverpool & London & Globe, Fidelity-Phenix, Northern of London, Northwestern F. & M., Twin City Fire and Citizens of New Jersey. The state agents of practically all of those companies have their offices with Warner & Co.

The companies which were represented in the Hull agency are the Lon-

don & Lancashire, Scottish Union, Commercial Union, Atlas, New Hampshire, American Surety, Travelers and Ocean Accident.

Warner & Co. are general agents for North Dakota for the Fidelity & Casualty, United States Merchants & Shippers Underwriters department of the Westchester Fire, and United States Fidelity & Guaranty.

In the new setup Warner & Co. discontinues its fire general agency and the Hull agency operating under the name of Hull & Co., confines its efforts entirely to the general agency field. The combined offices are located in the Black building.

Cox Opens Own Office

Guy M. Cox has resigned his connection with the First National Insurance Agency and First National Underwriters of the First National Bank of Iron River, Mich., to open an agency of his own at Adams and Third streets, Iron River. He has been connected with the First National Agency and First National Underwriters 14 years. Mr. Cox has been active in upper peninsula affairs, having served as chairman of the regional meeting of the Upper Peninsula Association of Insurance Agents two years ago at Iron River. He is upper peninsula adjutant and welfare officer of the American Legion, having so served for 12 years, and his office will be headquarters for the legion in the upper peninsula in that capacity. He served at one time as postmaster in Iron River and is upper peninsula vice-chairman of the Republican Service League.

Correct Neon Sign Hazard

SOUTH BEND, IND., June 20.—The city council has approved a new electric sign ordinance designed to remove the fire and personal injury hazard that has attached to the hundreds of Neon window and interior signs erected within the last two or three years. Officials of the city electrical department claim that the greater number of such signs are a distinct hazard, and must be re-wired and re-hung. In many cases they are supported only by the cable carrying the current; the electrodes and wire unions are improperly insulated; and in many cases wires and connections are far below underwriters' standards.

Valparaiso Outing Success

Attendance at the field day of the Valparaiso, Ind., Board numbered 93 local agents and company representatives. Among the managerial talent on hand were George H. Bell, western manager, and C. E. Parks, farm superintendent, National of Hartford; Carl E. Ingram, agency superintendent Great American, C. J. Lingenfelder, agency superintendent America Fore, John Rygel, assistant general agent Hanover, and Ralph Woltersdorff, assistant manager Atlas. At the dinner, prizes were awarded by O. L. Allanson. T. O. Dillon presided. There were no formal speeches but a number of guests were called on and responded with stories. K. S. Ogilvie of Chicago, Norwich Union, won the first golf prize while C. E. Parks was second. Mr. Ingram and Mr. Rygel also captured prizes.

Fear Moral Hazard

COLUMBUS, O., June 20.—Ohio fire insurance men are somewhat concerned regarding the closing of a large number of motion picture houses throughout the state. This closing undoubtedly is due to a lack of patronage,

but whether this lack of patronage is caused by a crusade which has been started against immoral pictures, a lack of money upon the part of many erstwhile picture fans or to a shifting to night clubs and summer gardens has not been determined. Motion picture houses can be used for only one purpose, the display of pictures, and fire insurance men are wondering if a moral hazard has not arisen with the closing of so many of these places.

Burns Succeeds Lilly

ST. PAUL, June 20.—Robert A. Burns of the R. A. & Fitzhugh Burns Agency has been elected to the executive committee of the Insurance Exchange of St. Paul to fill the vacancy caused by the resignation of R. J. Lilly, who has removed to Lincoln, Neb.

Discuss Kenosha School Cover

KENOSHA, WIS., June 20.—The Kenosha Insurance Underwriters Association has reached a membership of 75, according to a report made at the June meeting. A proposal to inspect city school buildings at three month intervals was discussed. Recommendations for reducing fire hazards and improving the risks would be made to the board of education for correction in order to provide the lowest possible rates. The school insurance is being transferred from the state fire fund to agents of stock companies as it expires over a three year period. A committee was named to investigate insurance on other city property.

Plan Field Day in Omaha

A stag party for Omaha insurance men will be held June 25 at the Omaha Field Club. The Omaha Association of Insurance Agents, Nebraska Blue Goose, Casualty & Surety Club and Nebraska Casualty Claim Men's Association will join in the event. Prizes will be awarded in the tournament and other events.

Vorys Out for Senator

John M. Vorys, Columbus insurance attorney, has announced his candidacy for the Republican nomination for United States senator against Senator S. D. Fess. He is a son of the late A. I. Vorys, at one time Ohio commissioner.

Dodge County Agents Meet

BEAVER DAM, WIS., June 20.—The Dodge County Association of Insurance Agents was host to company representatives and underwriters from various cities of Wisconsin at a golf tournament held at Old Hickory Golf club near here. Following golf the group attended the June meeting of the association preceded by a dinner at which scores were announced and prizes awarded. William Calhoun, Milwaukee, president of the Wisconsin association,

discussed "The National Association." Other speakers included John Brown, state agent for the Agricultural; John Rogers, special agent for the Continental Casualty, and R. E. Neckerman, local agent at Madison, Wis.

Rockford Golf Winners

Golf winners of first annual field day of the Rockford Board were:

First class: low gross, C. M. Fish, Jr., Rockford; second, J. C. Lanphier, Jr., Springfield, Ill.; third, J. S. Wortman, Rockford.

First low net was won by Mr. Seymour; second, Russell Martin, Chicago. Russell Martin and C. M. Fish, Jr., were tied but Mr. Fish won on the toss.

Blind bogey was won by Ed Finnegan, Glens Falls Indemnity; high gross by Fred Ticknor, Springfield Fire & Marine, and attendance, J. J. Donahue, Western Adjustment.

Meeting Called Off

DES MOINES, June 20.—The meeting of the executive committee of the Iowa Association of Insurance Agents scheduled here this week has been postponed indefinitely.

Plan Outing at Columbus

COLUMBUS, O., June 20.—Columbus insurance men are arranging for a stag golf round-up and ox roast to be held next Monday at the golf club at Sunbury, north of Columbus. H. S. Anderson of the Commercial Casualty is in charge of the arrangements. Field men, branch managers, agents and others connected with the insurance business will attend.

Insurance Society Annual Meeting

The Insurance Society of Columbus will hold its annual meeting and outing June 26 at Granville, O. R. M. Knepper is secretary-counsel of the society.

St. Louis Officers Renamed

The Associated Fire Insurance Agents & Brokers of St. Louis has re-appointed J. W. Barrett general counsel and C. C. Lang, executive secretary.

R. W. White's Daughter Weds

Miss Margaret Elizabeth White, daughter of R. W. White, manager of the Midland General Agency of Minneapolis, and Mrs. White, was married to George C. Boice of Minneapolis.

Middle West Notes

P. E. Jester has been named manager of the insurance department of Joshua Jester & Sons, Des Moines.

W. N. Peck, prominent banker and local agent at Concordia, Kan., died at his home there at the age of 71. He was a former president of the Kansas Bankers Association.

IN THE SOUTHERN STATES

Agreement with Mutuals

Three Participating Companies in South Promise to Limit Their Writings to Their Net Retentions

NEW YORK, June 20.—Officials of three mutual fire companies of the south will likely assent to the proposition of the Southeastern Underwriters Association with respect to their representation in stock agencies, in which event the atmosphere so far as mutual competition throughout the territory is concerned, will be considerably clarified. The companies in question, it is understood, will

restrict their future coverages to a single line, instead of writing multiple covers, which in the case of one of the offices, is reputed to be ten times its net retention.

Will Separate from Mutuals

The association is going ahead with its program of separating from mutuals generally. It is insisting a leading agent in Florida declare either for one class of carriers or the other, refusing to sanction a separation in the personnel of the agency which it holds is a thinly disguised subterfuge.

To the executive committee of the organization was left with power the manner of dealing with the brokerage

LOYALTY GROUP

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. NEAL BASSETT, President HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d Vice Pres.
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

CAPITAL

\$ 9,397,690.00

Organized 1855

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. NEAL BASSETT, Chairman of Board HENRY M. GRATZ, President HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d Vice Pres.
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE GIRARD FIRE AND MARINE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1853

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. NEAL BASSETT, President HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d Vice Pres.
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

\$ 600,000.00

Organized 1854

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. NEAL BASSETT, President HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d Vice Pres.
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$ 1,000,000.00

Organized 1866

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. NEAL BASSETT, President HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d Vice Pres.
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

SUPERIOR FIRE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1871

W. E. WOLLAEGER, President JOHN R. COONEY, Vice Pres. NEAL BASSETT, Chairman of Board ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres.
H. R. M. SMITH, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d Vice Pres.
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

\$ 1,000,000.00

Organized 1870

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. CHARLES L. JACKMAN, President NEAL BASSETT, Vice President HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d Vice Pres.
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE CAPITAL FIRE INSURANCE COMPANY

\$ 300,000.00

Organized 1886

CHARLES L. JACKMAN, President

UNDERWRITERS FIRE INSURANCE CO. OF CONCORD, N. H.

\$ 100,000.00

Organized 1905

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. NEAL BASSETT, President HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d Vice Pres.
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

MILWAUKEE MECHANICS' INSURANCE COMPANY

\$ 2,000,000.00

Organized 1852

H. S. LANDERS, President J. C. HEYER, Vice President NEAL BASSETT, Chairman of Board J. SCOFIELD ROWE, Vice Chairman
E. G. POTTER, 2d Vice Pres. E. R. HUNT, 3d Vice Pres. WINANT VAN WINKLE, Vice President JOHN R. COONEY, Vice President
S. K. McCLURE, 3d Vice Pres. T. A. SMITH, Jr., 3d Vice Pres. F. J. ROAN, 3d Vice Pres.

THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK

\$ 1,000,000.00

Organized 1874

H. S. LANDERS, President WINANT VAN WINKLE, Vice President NEAL BASSETT, Chairman of Board J. C. HEYER, Vice President JOHN R. COONEY, Vice President
E. G. POTTER, 2d Vice Pres. T. A. SMITH, 3d Vice Pres. FRANK J. ROAN, 3d Vice Pres. E. R. HUNT, 3d Vice Pres. S. K. McCLURE, 3d Vice Pres.

COMMERCIAL CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1909

WESTERN DEPARTMENT
844 Rush Street, Chicago, Illinois
HERBERT A. CLARK, Vice President
H. R. M. SMITH, Vice President
JAMES SMITH, Secretary

CANADIAN DEPARTMENT
461-467 Bay St., Toronto, Canada
MASSIE & RENWICK, Ltd., Managers

EASTERN DEPARTMENT
10 Park Place
NEWARK, NEW JERSEY

PACIFIC DEPARTMENT
220 Bush Street,
San Francisco, California
W. W. & E. G. POTTER, 2nd Vice Presidents
FRED W. SULLIVAN, Secretary

SOUTH-WESTERN DEPARTMENT
912 Commerce St., Dallas, Texas
OLIN BROOKS, 2d Vice President
BEN LEE BOYNTON, Res. Vice President
A. C. MEEKER, Secretary

LOYAL TO PRINCIPLE-TO LOYAL AGENTS, LOYAL



NATIONAL UNION FIRE INSURANCE COMPANY

Pittsburgh, Pa.

Look back down the roadway of
life over which you have passed
and you will smile at the pebbles
in the road which looked like
mountains until you passed them.

—Exchange.

A
Good
Agency
Company

question, so far as stock agents placing
excess lines with mutuals is concerned.

Augusta, Ga., Board Holds Meet, Elects Chesser Chief

The annual meeting of the Augusta, (Ga.) Board was held at a camp near the city. At the business meeting the following officers were elected:

John C. Chesser, president, A. M. Cozart, vice-president and chairman executive committee, W. F. Law, Jr., secretary-treasurer; executive committee, T. W. Alexander, L. H. Cohen, Davenport Sanford and A. M. McCulliffe.

The board voted to abrogate its rule of dividing the commissions on public business, in effect seven years. The board will have jurisdiction only over fire and windstorm schedules of the city, county and board of education. Southeastern Underwriters Association officials who live in Augusta were invited guests.

Tulsa Committee Seeks Separate Classification

TULSA, OKLA., June 20.—Tulsa property owners are entitled to substantial refund on fire premiums, according to J. E. Blair, C. A. Mayo and W. A. Vandever, members of a special committee on fire insurance problems appointed by Mayor Penney to secure a special rate for Tulsa.

The committee claims Tulsa is sending out approximately \$1,000,000 annually in fire premiums for home protection and receiving back only \$100,000, a ratio which is deemed unreasonable. An appeal to the insurance commissioner is being considered, to place Tulsa and Oklahoma City in a fire district of their own. It is said Tulsa property owners pay high taxes to maintain ample water supply and a first-class fire department, but must make up fire losses experienced by companies in cities where adequate fire protection does not exist. It is said that upon a comparable showing such a hearing in Texas recently brought a 25 percent refund to property owners carrying fire insurance, and similar results were obtained in Wichita, Kan.

Extension Granted in Virginia

RICHMOND, VA., June 20.—Fire companies operating in Virginia have been granted further extension of time by the state corporation commission in which they are exempted from keeping records of loss ratios by zones in that state, the commission having extended the period to Dec. 31, 1934. Exception is made, however, in the case of the eastern shore of Virginia zone. In that zone, the companies are required to keep records of loss ratios on farm property and other unprotected risks. In the rate order of the commission entered in November, 1929, the companies were required to keep records of loss ratios in all zones in the state but they have been relieved of that task from time to time since the entering of the order.

Georgia Agents Meeting

The annual convention of the Georgia Association of Insurance Agents is to be held at Sea Island Beach, June 22-23. An excellent program has been arranged by President Arnall and others of the Brunswick agents association, according to President Scott Nixon of the Georgia association, Augusta.

Pledged to Abolish State Fund

BIRMINGHAM, ALA., June 20.—Former Governor Bibb Graves, recently nominated for governor of Alabama, is pledged to abolition of the state insurance fund. In a letter several months ago to R. A. Brown, Birmingham agent, Mr. Graves said he favored restoring the insuring of state property "to duly licensed insurance carriers, through duly licensed citizens of this

New President of the Kentucky Association



G. R. REED

G. R. Reed, who was elected president of the Kentucky Association of Insurance Agents at the annual meeting, is the senior member of the firm of Reed Brothers in Columbia, Ky. He has been engaged in the local agency business for 22 years, all of that time having been a member of the state and national associations of insurance agents. He has been an officer or member of the executive committee of the Kentucky association for 10 years. He was a member of the legislative committee which secured passage of an agent's qualification bill at the last session of the Kentucky legislature.

Mr. Reed has been active in local and state politics. During the pre-convention campaign of 1932 he was president of the Kentucky Traylor-for-President club, but later was elected as a delegate from Kentucky, instructed to vote for Roosevelt. During the campaign he was chairman for Kentucky Insurance Associates for Roosevelt and Garner.

state, agents of such carriers." He explained that his policy would be not to renew the policy contracts in the state fund, but let them run to expiration and thereafter abolish the fund. He added that in the appointment of an insurance commissioner he would "seek the counsel of the insurance interests in the state."

Meeting Is Postponed

The meeting of the Southern Agents Conference, which was to have been held Monday in conjunction with the annual meeting of the North Carolina Association of Insurance Agents in Blowing Rock, has been postponed. H. C. Arnall of Newnan, Ga., is chairman of the conference and while he was in Washington, D. C., he decided to change the date.

New Tax Exempts Insurance

FRANKFORT, KY., June 20.—The 3 percent gross receipts act which became law immediately, carries a clause that exempts insurance companies from its provisions, which was included because the state now has a premium tax. The corporate income tax bill, passed by the house and now pending in the senate, also carries a provision exempting insurance companies. In its original form the bill exempted only domestic companies, but it was amended in senate committee to include all insurance companies.

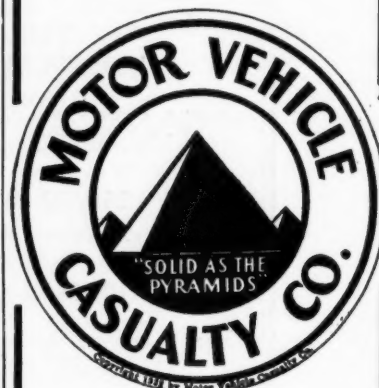
Studies City Coverage

LOUISVILLE, KY., June 20.—Mayor Neville Miller is studying a re-

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port of a special committee on the condition of the city's insurance. The survey is part of a program for economy of operations and increased efficiency of all city departments.

Southern Notes

The Insurance Service Company has been organized by A. C. Moore, Bristow, Okla., and Carl Swenson, Drumright,

Okla., with both Bristow and Drumright offices. The new firm purchased the agency of C. R. Williamson, Drumright.

Miss Bobbie Hare of the Oklahoma Audit Bureau has been elected treasurer of the Oklahoma City Insurance Women's Association to fill a vacancy.

Eugene H. Sutton of the Gibson, Moore & Sutton agency, Richmond, Va., has been appointed receiver of H. U. Ebel & Co. agency of that city. The Orient filed a petition in federal court charging that the firm was insolvent.

PACIFIC COAST AND MOUNTAIN

Settle Oakland Controversy

Metropolitan Life Notifies Loan Men to Accept Renewal Policies from Property Owner's Agent

OAKLAND, CAL., June 20.—A controversy between Oakland local agents and the loaning agents of the Metropolitan Life has been satisfactorily settled by the life company advising its representatives to accept renewal policies from agents representing the owners of mortgaged property. The Western Service Corporation had refused to deal with the agents on the ground that the local form specified who should place all insurance. On appealing to the company the local agents received the following:

"Although the form of mortgage or trust deed which was used by the Mortgage Guarantee Company gives the mortgagee the right to effect insurance

renewals through an agency selected by the mortgagee, we are agreeable to the acceptance of policies by the Western Service Corporation from agents designated by the owner of the property, if written in a satisfactory manner, in satisfactory companies and for a sufficient amount, provided such policies are marked 'paid' and delivered to our servicing agent two weeks before the date of expiration of existing policies. We are instructing the Western Service Corporation to that effect."

Holds Assured Liable for Short Rate on Fire Policy

When an assured orders a policy and then returns it, he is liable for the premium at short rate up to the date of cancellation and the company can collect the earned premium by suit. This is the decision of the California district

court of appeals in the case of Fidelity-Phenix Fire vs. L. G. Lewin and the Mercantile Properties Corporation. A fire policy of \$40,000 with premium of \$2,668 was issued Sept. 4, 1932, and returned Dec. 6 of the same year. The short rate earned premium was \$533, for which the court held the assured liable.

J. W. Stevens' Son Honored

Lawrence Stevens, All-American guard at the University of Southern California in 1933 and son of Jay W. Stevens, chief of the fire prevention bureau of the National Board, was presented with a diamond studded gold medal by the students at commencement exercises, June 14, as the "most outstanding student athlete in 1933."

Taking Pictures of Fires

STERLING, COL., June 20.—Feeling that the taking of pictures of a fire might prove helpful in adjusting losses, the truck of the local fire department is equipped with a camera, as well as with fire fighting appliances. Under instructions of the chief all risks in the community were recently inspected as to their fire hazard by members of the department, suggestions for improving conditions being made.

Consider Credit-Report System

DENVER, June 20.—A credit-report system is under consideration by the Denver Association of Insurance Agents for the benefit of its members. President Frank England, Jr., has appointed

a committee composed of P. R. Spahr, T. C. Heatwole and J. T. Duncan to draft forms and propose details of a plan to put it into operation. The system now employed by the Dallas (Tex.) Exchange, under which agents who cancel a policy for non-payment of premium report the action for the information of other agents in the organization, was regarded favorably.

Hear of Responsibility Laws

SAN FRANCISCO, June 20.—Financial responsibility laws of California and other states were explained to the Insurance Women's League of San Francisco today by J. B. Lambkin of the Pacific department of the Ocean Accident. R. J. Larrabee, engineer of the Underwriters Laboratories, illustrated the functions and activities of that organization with slides.

Miss Gene Theraul, president of the league, gave a brief history of one of the major fire companies.

Seven-Point Contract Proposed

The Pacific board is engaged in drafting a new seven point dwelling form, covering the perils of falling aircraft and motor vehicle property damage, explosion, hail, riot and windstorm and waiving the fallen building clause. The proposal is to issue this form at a rate of 10 cents per hundred per year or 20 cents a hundred for three years on frame dwellings and 15 cents per year or 30 cents for a three year term on brick dwellings.

Formerly the board authorized a six point form, which included all of the

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coverages proposed for inclusion in the seven point form, except the fallen building clause waiver. This was issued at a rate of 15 cents per year or 30 cents for three years on both frame and brick dwellings. At present, a charge of 5 cents for one year or 10 cents for three years on frame dwellings has been made for waiving the fallen building clause.

Many Licenses Protested

SAN FRANCISCO, June 20.—Licenses of more than 500 persons residing in the Alameda county territory, east of San Francisco, have been protested by the East Bay Association of Insurance Agents on the ground that they are not legitimately engaged in the business.

Commissioner Mitchell has sent a query blank to each name protested, with the warning that every question must be properly answered or license would be withheld.

Affiliate With National Body

SAN FRANCISCO, June 20.—The Insurance Brokers Exchange of San Francisco has voted to affiliate with the National Association of Insurance Brokers until Jan. 1, 1935. It is understood, however, that if the new organization proves to be as effective as expected the membership will be continued at the annual meeting in December. F. M. Hohwiesner, president of the exchange, who recently returned from conferences in the east with the national association officers, spoke in behalf of the affiliation.

R. E. Myers was elected to the board of governors for one year and J. B. Hauer, A. J. Robertson and R. L. Rowley for two years. Malcolm Campbell and Pierson Durbrow were elected to the arbitration committee.

British Columbia Group Elects

VANCOUVER, B. C., June 20.—W. R. Brydon, manager Union of Canton group, Vancouver, has been elected chairman of the British Columbia Insurance Underwriters Association (fire branch). Arthur Huddle, British Columbia branch manager Royal, presided.

W. R. Sloan, Royal Exchange, was named vice-chairman. The executive committee includes Mr. Brydon, John Anderson, Commercial Union; F. A. Burgess, Caledonian-Great American; E. W. Lowe, Seattle, National of Hartford; J. E. Johnson, Seattle, London Assurance; F. W. Gaston, Tacoma, Scottish Union; F. W. Rounsell, Cepesley, Rounsell & Co.; Arthur Huddle, Royal; J. H. Harrison, North America; Matt Neville, Eagle Star-British Crown group, and T. W. Greer, Pacific Coast Fire.

Coast Notes

C. J. Chastek, Seattle local agent, is a candidate for Republican nominee for Congressman in the first Washington district.

Tri-State Insurance Agency has been reorganized in Seattle, Wash., as the Lloyd & Piper Agency, with L. C. Lloyd as president and A. A. Piper as vice-president. Offices are in the Denny building.

D. J. Tillant, for 11 years manager for Johnson & Higgins in Los Angeles, has resigned to become vice-president of the recently organized Rule Company agency. He had been manager for Johnson & Higgins.

MARINE NEWS

Many Possibilities in Marine

Manager Lawson of Fireman's Fund in Chicago Takes Tennessee Field Men on Trip Down "Main Street"

A picture of "Main Street" in any town in the country, and the many types of risks subject to marine coverage which one encounters as he walks up from the depot was painted by E. D. Lawson, western marine department

manager of the Fireman's Fund, Chicago, in a talk at the Signal Mountain meeting of Tennessee field men, June 20.

"As you disembark at the railroad station," Mr. Lawson said, "you will find several motor truck operators' offices. They need cargo insurance. As you get near Main street, you will pass laundry and dry cleaning establishments; they need bailees'-customers' policies.

"Then you pass several manufacturing plants; they don't use the goods they manufacture and hence must ship it to markets out of town. Whether they ship by rail, express, or by truck or parcel post, they need transportation insurance.

"Here we are on Main street. This fine looking bank sends bonds and securities by registered mail; a registered mail policy. And what's this? A furrier. Oh yes, a policy covering the coats stored. And here is a store selling radios, washing machines, etc.; a merchandise instalment policy.

"A musical instrument shop, banjos, saxophones; some fine leads may be obtained from this fellow for musical instrument policies. Here is a neon sign manufacturer; why we have a special policy designed for him.

"Here is a department store; department store floater for his incoming shipments and local deliveries. Also an excellent prospect for parcel post insurance. And, speaking of parcel post, practically every merchant on Main street can use these coupon books. Down at the end of Main street there is a storage warehouse; these people ship furniture and need trip-transit policies.

"This is merely down Main street, and just think of the opportunities on some of the side streets! Take the cruise some time. You will find it pleasant and profitable. It is just as much fun as a game of golf with your agent and it will bring you a lot closer to him, for you will have helped him ring his cash register."

J. A. Graessner Is Dead

J. A. Graessner, Seattle marine underwriter and former president of the Board of Marine Underwriters at Seattle is dead.

Agents Tell Their Story to U. S. Men

(CONTINUED FROM PAGE 1)

ment a needed local service, and, where property loans are made by the government, denies the property owner his right to place his business with an agent and in a company of his own choosing.

The executive council representatives expressed themselves as desirous of delving into the entire question, and further conferences will be held.

The meeting with the HOLC representatives was a continuation of several conferences already held, the matter having been formally committed by the national executive committee to Mr. Wilson and Mr. Bennett, for investigation. From its inception, the HOLC has held to its first determination not to disturb existing relations between borrowers and agents so long as the home owner is in position to pay his premiums. However, where the corporation is forced to pay the premiums which are in default, it has arranged a contract whereby one company automatically picks up the coverage. As set forth to the corporation by the National association's representatives:

"It is our understanding that the entire purpose of the recovery program is to conserve business and keep it from demoralization. Certainly the objective of the HOLC is to make it possible for home owners to retain their homes and to prevent foreclosure and bankruptcy.

"A substantial portion of the citizens of this country are local insurance

agents and their employees. For a hundred years, insurance on residences has been the backbone of their businesses. An appreciable disturbance in the relationship with their home owner customers undoubtedly will drive many of them, particularly the smaller agents, toward bankruptcy. It is believed that a vast number of the homes of the country are or will become mortgaged to the HOLC. Such homes obviously are the properties of those in distress, who will find it hard to or who are unable to pay such going expenses as taxes and insurance."

Speaking of the interviews in Washington last week, as well as the frequent ones of recent weeks, Mr. Bennett says:

"My recent visits to Washington have convinced me that government officials are not wholly indifferent to the insurance situation that has arisen by reason of emergency necessities. When the head of a department or bureau is instantly confronted with the necessity of providing a substantial volume of insurance protection on properties widely scattered, he is likely to call on one having some knowledge of or experience in the insurance business. Often the advice so received has a selfish tinge of benefit to the proponent. This, no doubt, is the reason for some of the insurance conditions as we now find them."

Prominent San Franciscan Dies

SAN FRANCISCO, June 20.—Martin F. O'Brien, prominent insurance broker of San Francisco, died at his home from heart attack. He entered the business in 1891 with Butler & Haldan, general agents for the Phoenix Assurance, later being associated with the Edward B. Haldan branch office and from 1908-18 following the death of Mr. Haldan he conducted the business under the name of E. B. Haldan Co. In 1918 the name was changed to M. F. O'Brien & Co. He served as a member of the board of the San Francisco Insurance Brokers Exchange and also as chairman of the conference committee, earthquake committee and committee on revision of the constitution for the exchange. He is survived by a son, Martin H. O'Brien, member of the firm. He was nearly 64 years of age.

INSURANCE STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business June 18, 1934.

| Stock | Par | Div. per Share | Bid | Asked |
|-----------------------|-------|----------------|--------|--------|
| Aetna Cas. | 10 | 2.00† | 50 | 52 |
| Aetna Fire | 10 | 1.60 | 39 | 41 |
| Aetna Life | 10 | .10 | 20 | 21 |
| American, N. J. ... | 2.50 | .50 | 9 1/2 | 10 1/2 |
| Amer. Surety ... | 25 | ... | 23 | 24 |
| Automobile, Conn. ... | 100 | 1.00 | 20 | 22 |
| Boston ... | 100 | 16.00 | 465 | 475 |
| Cont'l. Assur. ... | 10 | 2.00† | 29 | 31 |
| Continental Cas. ... | 5 | .60 | 13 | 14 1/2 |
| Continental Ins. ... | 2.50 | 1.20 | 31 | 32 |
| Fidel.-Phenix ... | 2.50 | 1.20 | 31 | 32 |
| Fire Assn. | 10 | 2.00 | 47 | 48 |
| Fireman's Fund. ... | 25 | 3.00 | 57 | 59 |
| Fireman's F. Ind. ... | 10 | ... | 19 | 21 |
| Firemen's ... | 5 | ... | 5 1/2 | 6 1/4 |
| Franklin Fire ... | 5 | 1.00 | 22 | 24 |
| Glens Falls ... | 10 | 1.60 | 28 | 30 |
| Globe & Rutgers ... | 25 | ... | 33 | 39 |
| Great American ... | 5 | 1.00 | 18 1/2 | 19 1/2 |
| Great Amer. Ind. ... | 1 | ... | 6 | 8 |
| Hanover ... | 10 | 1.60 | 28 | 30 |
| Harmonia ... | 10 | 1.00 | 22 | 24 |
| Hartford Fire ... | 10 | 2.00 | 53 | 55 |
| Home, N. Y. ... | 5 | 1.00 | 24 1/2 | 25 1/2 |
| Ins. Co. of N. A. ... | 10 | 2.00 | 47 | 49 |
| Maryland Cas. ... | 1 | ... | 1 1/2 | 2 1/4 |
| Mass. Bonding ... | 12.50 | ... | 13 | 15 |
| National Cas. ... | 10 | ... | 6 1/2 | 7 1/2 |
| National Fire ... | 10 | 2.00 | 55 | 57 |
| National Liberty ... | 2 | .20 | 5 1/2 | 6 1/2 |
| National Union ... | 20 | ... | 82 | 85 |
| New Amst. Cas. ... | 5 | .80 | 10 1/2 | 11 1/2 |
| N. Hampshire F. ... | 10 | 1.60 | 34 | 36 |
| North River ... | 2.50 | .70† | 20 | 22 |
| Phoenix, Conn. ... | 10 | 2.00 | 63 | 65 |
| Preferred Accl. ... | 5 | ... | 9 | 11 |
| Prov. Wash. ... | 10 | 1.00 | 28 1/2 | 30 |
| Security Ins. ... | ... | 1.40 | 27 | 29 |
| Sprgfd. F. & M. ... | 25 | 4.50 | 98 | 100 |
| St. Paul F. & M. ... | 25 | 6.00 | 135 | 138 |
| Travelers ... | 100 | 16.00† | 447 | 453 |
| U. S. Fire ... | 4 | 1.40† | 38 | 40 |
| U. S. Fid. & G. ... | 2 | ... | 5 1/4 | 5 1/2 |
| Westchester F. ... | 2.50 | 1.10† | 26 | 28 |

*Paid during 1933. †Includes extra.
*And extra. ‡Ex. div.

INCORPORATED 1799

PROVIDENCE WASHINGTON INSURANCE CO.

of Providence, R. I.

Capital \$3,000,000

INCORPORATED 1924

ANCHOR INSURANCE CO.

Providence, R. I.

Organized and Owned by the Providence Washington Insurance Co.

Capital \$1,000,000

Each of these Companies writes the following classes of Insurance

FIRE—TORNADO—OCEAN and INLAND MARINE
AND THEIR ALLIED LINES
AUTOMOBILE—FIRE, THEFT and COLLISION

COMBINED POLICIES
AUTOMOBILE—FULL COVERAGE
GOLFERS' EQUIPMENT and LIABILITY
WITH

MARYLAND CASUALTY COMPANY

INCORPORATED 1832

VIRGINIA FIRE AND MARINE INSURANCE CO.

Richmond, Va.

Capital \$500,000

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SPRINKLER LEAKAGE AUTOMOBILE INSURANCE

WESTERN DEPARTMENT: 175 W. Jackson Blvd., CHICAGO, J. R. Casbel, Manager

1794

1934

THE INSURANCE COMPANY
OF THE
STATE OF PENNSYLVANIA
PHILADELPHIA, PA.

Annual Statement, December 31, 1933

Reserve for Unearned Premiums \$1,158,711.30
Reserve for Losses, Taxes, etc. 342,236.66
*Contingency Reserve 535,317.50
CASH CAPITAL 1,000,000.00
NET SURPLUS 1,192,080.93

TOTAL ASSETS \$4,228,346.39
SURPLUS TO POLICYHOLDERS \$2,192,080.93
Actual Market Value

Acquire
THE OLD "STATE OF PENN"

*Contingency Reserve represents difference between Value carried in Assets and actual December 31, 1933, Market Quotations on all Bonds and Stocks owned.



AGENTS of the Twin City are well equipped to take advantage of increasing opportunities for business.

The Twin City Fire Insurance Co. gives prompt and dependable assistance in writing practically all forms of insurance needed by property owners today.

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INSURANCE COMPANY**

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MINNEAPOLIS, MINNESOTA

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**FERGUSON, DANIELS &
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HOSPITALITY AWAITS YOU



The second edition of "Proved Premium Producers" for A. & H. men is now on sale. The National Underwriter will supply information.

SEE TROUBLE BELOW THE SURFACE

(CONTINUED FROM PAGE 1)

ization executives. The very antagonism among company camps makes this inevitable. Whatever sacrifice must be made the companies seem to be willing to meet the issue although, of course, there will be many embarrassing conditions.

Of course the real work of putting separation into effect must be done by the larger groups and the bigger companies. They must take the lead and assume the responsibility. The other companies will follow along in their own way.

One of the complicating features in the picture today is the preferential situation with regard to large companies in the bigger centers. One company may have a stronghold in a particular city. Its grip on the business is probably strong and relentless. When any legislation is suggested as to this particular city, the companies that are vitally affected locally immediately get up on their hind legs. They are perfectly willing to legislate for other cities along similar lines, but they resent any attack on their own particular fortress.

Preferential Positions

Every city has its preferential company or companies. The company represents any interference with its claims or its rights that it has acquired in these cities. Therefore, until there is a redistribution of premium income in these cities, it will be mighty difficult to deal with them and bring the forces into line. In the long run a company with a particularly strong hold in a city that would be called upon to sacrifice something in that metropolis would very likely gain elsewhere. Taken by and large, then, probably there would be no reduction in premium income for any company. However, at present there is no disposition to give up anything and therefore we have these companies in particular cities sitting tight and refusing to budge.

Want a Bigger Bite from the Loaf

The fact that premium volume has declined as a whole because values are not at hand and many people are not insuring as heavily as in the past, has made the loaf a smaller one and there are more mouths to feed than ever before. The strife after a larger share of the smaller loaf is causing most of the contention and turmoil. One of the factors that has stirred the orthodox companies is the very aggressive policy of outside companies in going after the large business by offering inducements or liberal terms and perhaps a preferential rate. In numerous cases this business has been gotten largely because the assured has been irritated by rules and regulations that are regarded by the policyholder as uncalled for and illogical.

Perhaps there are too many organizations endeavoring to pass too many rules to stop up a leak here and there to try to check a violation or to bring people into line.

Want More Flexibility

In the minds of many, the business is too highly organized and has become too complicated. It has tied itself into a hard knot and has not adapted itself to the needs and demands of the hour. Briefly, there are too many "thou shalt nots" and too few "thou shalt." This very condition has given the inland marine departments a great leverage. The strictly fire departments have lost pre-

mium volume due to many causes but one of them, surely, is the greater liberality of companies following what is known as "the marine principle." Policyholders find that marine-minded companies are much easier to deal with than what might be termed the strictly fire-minded companies.

In order to meet the aggressiveness of outsiders, many devices have been made. The separation edict is undoubtedly the outcome of the resentment on the part of association companies against the raids of outsiders. Syndicates and pools have been formed in order to stay the tide. It is understood that other machinery is being set up and prepared in the effort to hold the business for organized companies. In other words, there is the feeling in the air that companies should not only be able to protect the business on their books, but they should be free to go after the business of these determined outsiders, if these have raided the ranks of the regulars.

Causes Resentment Among Agents

This very effort on the part of stock companies to protect themselves has caused dismay and resentment in many cases in the agency ranks. The agents find that their business is gradually being chiseled away and they claim that their own companies are lending a hand to this process. The signing of the NRA code by the National Association of Insurance Agents was just an indication of the feeling in agency ranks. The association took a course that the company organizations opposed very bitterly. Some of the company men almost claimed the agents were traitors in their attitude. The agents today are gathering information showing that companies here and there are grabbing off business either individually or through organizations from them and the income is being gradually reduced. The agents feel that the companies are not viewing the situation as they should and are not protecting the fundamental rights of the agents. The companies, on the other hand, accuse the agents of being inconsistent, unruly and endeavoring to create issues without getting a broad view of the field.

Call for Insurance Statesmanship

These are but a few cursory observations looking beneath the surface and seeing what is going on. It is to be hoped that some of the possible tragedies of the future may be averted. Certainly the times call for the greatest insurance statesmanship that has ever been exhibited.

In the minds of forward looking people there needs to be a more progressive and broader outlook over the landscape. We are inclined to be too hide bound. No organization is studying public needs and demands, markets for insurance, and methods to popularize it and make coverage more elastic and more suitable to the changing times.

The voices of the younger men in the business are inarticulate. Many of these juniors have excellent ideas but they hesitate to express them because they fear they will be antagonistic to views held by elder statesmen and their future will be impaired if they sponsor any expression that is not strictly in accord with the men higher in the ranks. It is useless to feel that what has been done in the past can apply equally well

to the present and to hold that practices of the "good old days" are fitted for the changing hours of this time.

There has been now and then an effort on the part of those gifted with prophetic instincts and those that are in closest touch with actual needs of policyholders to suggest courses that might be pursued and yet any sort of criticism, although it may be constructive, is highly resented in some of the higher courts. This, it seems to me, is a vital mistake on the part of the men in command. Today in view of the competitive forces at work, and they are growing in momentum and power, there is every call on the part of the organized companies and agents to get into more intimate touch with the premium paying public, study its needs and attempt to make coverage yielding and elastic. Sales resistance should be greatly weakened.

Should Stand by Established Principles

This does not mean that there should be a radical departure from the old well trodden road of experience. There are certain fundamental rules and practices that must be observed in order to keep the business in a stable position. There is nothing wrong with those primary regulations that experience has shown to be logical and protective. After all, the antagonism is due to the more insignificant rules. There should not be a waiving of features that will create additional liability without having the cost considered. The companies that are permanent are those that have sought to protect themselves by well



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ballasted safeguards. Every company that has run amuck by offering too liberal inducements has come to grief. In the effort, however, to throw greater safeguards around companies and to make it more difficult to violate rules, there have been too many barriers put up until the business is more or less in a straitjacket. There is no body of able people in the business, that is studying insurance from the premium paying standpoint. That, it seems to me, is a weakness that should be corrected. We have too many organizations tying the business too tightly without regard for the selling end of the business.

Schenley Loss Big Issue in Kentucky

(CONTINUED FROM PAGE 3)

The proposed resolution reads in part: "Inasmuch as the Interstate Underwriters Board is detrimental in all respects to the local agency system of writing insurance and is unfair to the agency system,

"Be it resolved that the Kentucky Association of Insurance Agents condemns without reservation this pernicious system and requests that the companies discontinue the I. U. B. at once."

Companion Resolution

A companion resolution which was adopted, asked the commissioner, who was present, to investigate the Pepper loss. It was as follows:

"Be it resolved, that we condemn the practice of those companies which have in the past written insurance on property in Kentucky in violation of the resident agents law and further request that the insurance commissioner investigate a recent fire at Lexington, Ky., as to the methods under which the insurance on the properties of the Pepper Distillery Company, was written; as to when and through what agencies such policies were issued and countersigned and whether the state of Kentucky would have received its due tax on such insurance premiums had not the fire occurred. If these findings justify, that such companies be prosecuted for the evasion of attempted evasion of any Kentucky statute."

It has been suggested to the commissioner that he file action against the Schenley interests for recovery of unpaid taxes on premiums, in non-admitted companies on the Pepper risk. There was also a suggestion regarding the possibility of a violation of state laws in the matter of adjusting for non-admitted companies on this risk.

Resolutions Are Adopted

The association adopted a resolution recommending the incoming administration take steps to prepare a new constitution and by-laws and the incoming legislative committee was requested to make a study of the Kentucky insurance laws, with a view to preparing a program that could be recommended. Another resolution expressed the belief that another attempt should be made to have passed an anti-discrimination law. Efforts of the National Association of Insurance Agents in behalf of the Neely anti-Lloyds' bill were endorsed.

John A. Heitmeyer, secretary of the Liberty Fire of Libertyville, urged agents to earn their policies. Every time an agent secures a policy which he has not actually earned he automatically sets up a target with a bull's eye large enough that even a novice can center.

Earning the Policy

It is preferable deliberately to attempt to earn the policy rather than to take the course of least resistance. He said, for instance, an agent might earn a dwelling policy, if he is in a position to give the sound value of the property, to provide the assured with a household inventory register, make regular monthly inspection if the property be-

comes vacant, to explain the supplemental contract, to emphasize the importance of adequate tornado coverage.

In connection with mercantile and industrial risks, the sound value of the property should be ascertained, the co-insurance clause should be attached if possible, stock value should be checked when seasonal fluctuations occur. At such periods the client is usually too busy to think of insurance or may conclude that he will take a chance.

The client should be advised of that term of insurance which is most advantageous to him. Terms of payment should be arranged at the time of the sale.

Suggest I. U. B. Change

Among informal discussions heard at the meeting was the following:

"In writing I. U. B. the rate should be made on the basis of values in each location and the rate at that location, in that it is an easy matter to figure a small value where location has a high rate; and vice versa. An arrangement should be made whereby the values used in each specific state and location together with the rates used and covering in each state where there is liability should be filed with the rating bureau and insurance commissioner showing how the rates were arrived at.

"If such filings were made and the rates were based on the values and rates of each location in each state then no special benefit over a state reporting form could be possible in the case of the I. U. B., as against the state reporting plan."

It was charged that prior to I. U. B. treatment the rate on the Pepper Distillery contents was 86 cents and on the Stagg distillery contents, also a Schenley risk and I. U. B. written, was around 74 cents, whereas under the I. U. B., it was said the average was 41 cents.

Policies Not Countersigned

It was also claimed that there were a number of policies covering whisky in the Stagg distillery contents, also a distillery, that were not countersigned at time of the Pepper fire on April 28, and that there has been considerable activity in the effort to secure countersignatures from agents.

W. A. Reisert, in speaking before the convention, among other things brought out that while the companies are demanding separation of agencies, activities in I. U. B. underwriting show that the companies themselves should put their own houses in order, in that I. U. B. underwriting is done by all classes of companies, without regard to affiliations.

Mr. Reisert contended that if agents could not represent but a certain group of companies it was difficult to understand just why the companies should be associated on the same risks.

Philadelphia Men Get Plain Answer

(CONTINUED FROM PAGE 3)

The feeling was that many of the non-policywriting-agents would resume their former status as brokers and there again would be a general distribution of risks along Walnut and South Fourth streets.

The conference in New York was presided over by H. V. Smith, president of the E. U. A., while the agency contingent included C. T. Monk, C. T. Monk & Co., chairman; M. V. Foard, Hutchinson, Rivinus & Co.; R. Cross, L. M. Addis & Co.; H. Haskins, Platt, Youngman & Co.; G. Smith, Stokes, Packard, Haughton & Smith; G. G. Rowland, Wagner-Taylor Co., and H. H. Kenney, Young & Ridge.

Bergen County Agents Meet

The Bergen County Association of Insurance Agents held a meeting in Ridgewood, N. J.

Every business man fears a shut-down due to fire, explosion or riot damage.

"Income as usual until business can start again" is the cheerful note of the current Alliance national advertising.

It tells magazine readers to ask the Alliance Agent for details about Prospective Earnings Insurance.



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231 Sansome Street



MERCHANTS INSURANCE COMPANY

31 Canal Street

Incorporated 1851

PROVIDENCE, RHODE ISLAND

STATEMENT JANUARY 1, 1934

ASSETS

| | |
|--|-----------------------|
| Stocks and Bonds..... | \$2,420,391.78 |
| Cash in Banks..... | 168,117.70 |
| Agents' Balances Outstanding..... | 232,417.92 |
| Accrued Interest and other Assets..... | 44,902.49 |
| | \$2,865,829.89 |

LIABILITIES

| | |
|--|----------------|
| Reserve for Unearned Premiums..... | \$ 831,638.17 |
| Losses in Course of Adjustment..... | 108,357.00 |
| Reserve for Taxes, Expenses, and all other Liabilities | 161,006.00 |
| Reserve for Contingencies..... | 58,399.00 |
| Capital Stock | \$1,000,000.00 |
| Net Surplus beyond all Liabilities.. | 706,429.72 |

| | |
|---------------------------------|-----------------------|
| Surplus to Policy Holders | \$1,706,429.72 |
| | \$2,865,829.89 |

NOTE: Contingency Reserve fully adjusts as follows—Bonds eligible are amortized, otherwise valued at actual Market. All Stocks are carried at actual Market Value.

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(CONTINUED FROM PAGE 2)

to require on forms he is now preparing the weekly reporting of all fires. These reports will be official records, and therefore available to the public, but in suspicious fires, he plans to get confidential reports, which will in his opinion be privileged, and cannot be obtained by attorneys defending persons accused of arson.

Lloyd T. Wheeler, manager Mississippi rating bureau, delivered an optimistic address. He said there had been 800 more inspections of risks during the first six months of 1934 than during the corresponding period of 1933. In excess of 6,000 more fire policies are in force in the state than at this time last year. There has been a marked decrease in cancellations as well as a healthy increase in writings.

Shelby Pickett, chairman Mississippi insurance commission, and a local agent at Hattiesburg, was another speaker. Mr. Pickett advocates reasonable rates and fair compensation, but he says neither can be obtained unless the local agent is careful in the selection of risk and pays due attention to the elimination of moral hazard.

While Mississippi has suffered more than a 50 percent decrease in volume of fire premiums since 1929, the loss ratio is decidedly improved, and the expense ratio is slightly lower than it was a few years ago.

Capt. E. L. Kidd of Ruston, La., presented greetings from the Louisiana Insurance Society, of which he is a past president.

Neither in the executive committee meeting nor in the meeting of the association itself did the agents discuss the recent application of the Spencer, Murphree & Spencer agency to the Jackson board, which was declined because the Jackson board did not believe the agency conformed to its by-laws. Representatives of the companies in the agency, namely the Agricultural and the Rhode Island, were not asked to appear.

A concerted effort on the part of the association will be made to get members to pay dues promptly, in order to enable the association to function efficiently.

The registration was 75. Total membership at present is 156, with 16 local boards in the state.

**Recently Promoted Members
of Coast Staff Honored**

Officials of the Firemen's of Newark group in San Francisco who were promoted recently, were guests of honor at a banquet there attended by more than 75 members of the local staff. Guests of honor were W. W. Potter, recently promoted to vice-president in charge of the Pacific Coast department; F. W. Sullivan and W. B. Rearden, second vice-presidents; R. W. Walbey, assistant secretary; R. W. MacGrath, who will leave July 1 for the head office, and F. E. Chadwick, who goes to southern California as district manager.

Stephen Chelbay, assistant secretary of the group, was toastmaster. Among men of long service introduced were: R. H. Davis, special agent; C. H. Gatchel, assistant secretary in charge of fire and automobile losses; Morris Stoler, chief accountant; M. D. Jaret, superintendent of agencies; J. T. Brunn, resident vice-president in charge of surety, and H. H. "Ty" Cobb, district manager of Oakland. Edgar Stevens, district manager at Portland, spoke briefly.

Mr. Rearden, formerly manager of the southern California offices of the group, arrived in San Francisco Friday to assume his new duties as vice-president.

John Drayton, vice-president North America and manager of the investment department, visited Pacific Northwest cities.

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The National Underwriter

THIRTY-EIGHTH YEAR—No. 25

CHICAGO, CINCINNATI, SAN FRANCISCO AND NEW YORK, THURSDAY, JUNE 21, 1934

Office of Publication, 175 West Jackson Boulevard, Chicago, Illinois

HEALTH and ACCIDENT
CONFERENCE NUMBER

Will Issue Hospitalization Coverage

Live Topics Bring Record Attendance

Manzelmann to Be Advanced to
President with C. W. Young
Next in Line

MEMBERSHIP INCREASED

Wide Range of Vital Problems Dis-
cussed in Two Days of Con-
tinuous Activity

The unusual character of the program offered brought out a record attendance for the annual meeting of the Health & Accident Underwriters Conference at the Edgewater Beach Hotel in Chicago, with well over 100 in attendance at the start of the opening session and many other late arrivals swelling the attendance still farther at other sessions.

Lively Program as Usual Is Feature of Meeting

The program maintained the reputation of the conference for dealing with the live topics of the business, two solid days being devoted to a consideration of almost every phase of its activities, including, investments, claims, medical and hospital insurance, "non-can," accident and health insurance for women, correspondence, collections, grace periods, manual classifications and changes

Hospitalization Cover Plan

Recommendations as to Coverage Made to Member Companies After Careful Study of Underwriting and Cost Factors

Personal accident and health insurance companies have for many years successfully provided insurance protection against loss of wages to the American wage earner. However, it is recognized that not only the loss of the insured's income but the additional expense incident to any disability requiring proper surgical attention, medical care and hospitalization creates a heavy burden upon every wage earner so afflicted.

After careful study and consideration of underwriting principles, coverage and costs, the Health & Accident Underwriters Conference recommends to its members that additional insurance either be incorporated in their present policies or be made optional to the insured providing for the payment of indemnity for certain medical, surgical and hospitalization expense when the insured is injured or otherwise disabled by illness.

This insurance will enable the average wage earner to meet most of his medical, surgical and hospitalization expense by means of small fixed monthly payments and dependent upon the type of service desired should cost the average wage earner from 50 cents to \$2 a month.

This additional insurance will specify the indemnity payable for hospital room charges, cost of operations, operating room expense, anaesthesia expense, X-ray examination fees, nurses fees, laboratory fees and any other miscellaneous fees and or all of which shall be selected by the policyholder according to his needs.

The payment of claims under this additional insurance will not be contingent upon the service rendered by one or a limited group of hospitals, physicians or surgeons but will provide that all policyholders shall have the free choice of doctors, surgeons, and hospitals. Payments will be made in cash and not in service.

in policy phraseology to bring about greater uniformity. The character of the program was credited by at least one of the companies joining the conference at this session as being responsible for its affiliating with the organization.

At the concluding session Thursday morning George Manzelmann, vice-president and agency director of the North American Accident, who has served as chairman of the executive committee the past year, will undoubtedly be advanced to the presidency. Clyde W. Young, president of

the Monarch Life, is scheduled to be elected chairman of the executive committee, thus putting him in line for the presidency next year.

Mr. Manzelmann's entire business career has been with the North American Accident, which he joined 23 years ago as a clerk. His earlier experience was with the accounting department of that company, which gave him a thorough knowledge of the operations of the company as a whole. Later he was transferred to the agency department and became agency director

(CONTINUED ON PAGE 35)

Idea Indorsed by H. & A. Conference

Resolution Adopted Recommending
to Members Inclusion of
That Form of Coverage

ROREM, SOMMERS HEARD

Entire Session Devoted to Consideration
of Medical and Hospital
Insurance

The desirability of offering a form of insurance which will indemnify the assured for certain medical, surgical and hospitalization expense in connection with either accident or illness was indorsed by the Health & Accident Underwriters Conference at its annual meeting in Chicago this week and a resolution adopted recommending to conference members that such additional insurance be incorporated in their present policies. The recommendation is not binding on conference members but it was predicted in the discussion of the question that at least 20 or 25 of the conference companies will be issuing such insurance within a very short time. The text of the recommendation is given in an adjoining column.

The conference action was taken in recognition of the general popular demand for some such coverage and the

(CONTINUED ON PAGE 30)



GEORGE MANZELMANN
North American Accident
To Be Elected President



C. W. RAY
Hoosier Casualty
Retiring President



J. M. POWELL
Loyal Protective
Slated for Secretary



HAROLD R. GORDON
Chicago
Executive Secretary-Treasurer

Asks Uniformity in Phraseology

Conference President in Annual
Address Urges Action Toward
Greater Uniformity

CITES COURT DECISIONS

Reviews Past Accomplishments of Or-
ganization in Field of Accident &
Health Insurance

An urgent recommendation that the conference take action to bring about more uniform policy phraseology was made by President C. W. Ray, Hoosier Casualty, in his annual address. "In the past much discussion has been had on this subject," he said, "and much interest has been created; however, no definite standard has been achieved. Such a policy would be a big accomplishment for our business, and I firmly believe this to be of greater importance than any other at the present time. Insurance departments, courts and the insuring public in general would no doubt be favorably impressed with greater uniformity in phraseology of policy clauses of health and accident policy."

He referred to a recent bulletin sent out by Executive Secretary Gordon on the subject of policy phraseology or construction and said he was greatly surprised to know of the many ways of expressing the same or similar conditions, terms, and such like, all intended to mean the same thing, yet not

(CONTINUED ON PAGE 32)

"Non-Can" Can Be Written with Profit, Young Says

Noncancellable accident and health insurance is far from being a dead issue, Clyde W. Young, president Monarch Life, said in his address on that subject. He said that many insurance men regard it "as an unfortunate experiment and consider it practically a closed chapter, apart from the losses still to be met until the outstanding business has been run off." He declared, however, that it is very much alive and has maintained a fairly steady growth, interrupted only by the depression, which has similarly retarded practically every other line of insurance.

He contended that it can be written on a paying basis, if kept within proper limits, with adequate rates and with agents trained to sell that coverage. He presented figures to show that the experience under aggregate indemnity or limited period indemnity policies is very much more favorable than under life income policies and that future developments must apparently be along the line of the former type. He also said that successful underwriting depends to a large extent on territorial limitations. In many states, experience has shown that noncancellable cannot be written satisfactorily, regardless of the rate charged or the rules adopted.

Bulk of Business Now Written by Five Companies

As indicating the present status of the business, he pointed out that it is now largely concentrated in five companies which in 1933 wrote \$13,041,000 of premiums, or over three-fourths of the entire business. In 1925 these same five companies wrote only \$9,685,000 noncancellable premiums. Thus their increase from 1925 to 1933 has been

nearly 35 percent, whereas the total volume of accident and health business of all types has made no progress at all in this period. To show that noncancellable can be written with success, under proper limitations, he cited the experience of a Scottish company which introduced this form in 1885 and has written it ever since that time "without encountering the difficulties which have made life income coverage so unsatisfactory in this country. Doubtless this is due to a closer adherence to actuarial principles, to the difference in temperament and standards of the people, and to the inherent conservatism of Scottish insurance companies. The restricted territory also simplifies claim administration."

Reasons for Unsatisfactory Experience Suggested

He traced the development of noncancellable in this country, starting in 1915, with a great boom a few years later and a general extension of coverage, followed by a decline in interest, until by 1925 most of the companies which had entered the field in its first period of development had withdrawn. He pointed out that in 1921 the underwriting committee of the Bureau of Personal Accident & Health Underwriters recommended drastic reforms in that field, but apparently little use was made of its report.

He held that the unsatisfactory results from the initial venture in noncancellable accident and health may be attributed to:

(1) The lack of adequate statistics in this country and the reluctance of companies to be guided by the rates and

(CONTINUED ON PAGE 33)

Human Factor in Claims Important

Personal Equation Must Be Con-
sidered in Settlements,
L'Estrange Declares

AGENT IS MAJOR FACTOR

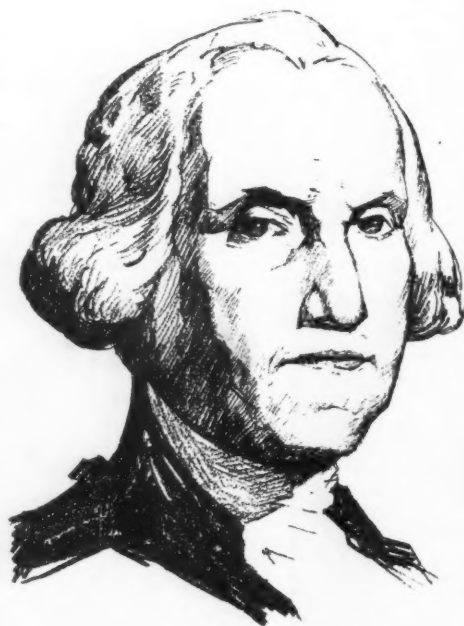
Responsible for 75 Percent of "Grief"
in Accident and Health Field,
Veteran Adjuster Contends

The necessity for recognizing the human equation in dealing with claims was emphasized by G. A. L'Estrange, manager claim department Abraham Lincoln Life, in discussing "Human Aspects of Claim Settlements." No other form of insurance so closely touches the individual as does accident and health protection, he said. "It is essential that in the making of claim settlements more consideration be given to the fact that we are dealing with human beings."

Considering All Claims as Crooked Breeds Ill-will

From observations in his 15 years' insurance experience, including several years of agency work, Mr. L'Estrange said that this point is all too often forgotten or ignored. He urged that the position of the claimant be visualized, that complete understanding be extended to and expected from the writing agent. Every claimant believes his

(CONTINUED ON PAGE 34)



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Hospital, Medical Coverages Discussed

Uneven Cost Big Medical Problem

Insurance Principle Only Way to Secure Equitable Distribution of Expense

ROREM REVIEWS PLANS

Tells What Various Employers, Hospital and Medical Groups Have Done Along This Line

"The total costs of medical care in the United States are not too high—probably not high enough when one considers the inadequate care received by some individuals and economic groups. The real difficulty in medical costs is the unpredictable and uneven distribution of the burden. These difficulties can be removed only through the principle of insurance, by which people acting in groups place medical care in the family budget along with other necessities."

Dr. C. Rufus Rorem, associate director for medical services, Julius Rosenwald Fund, Chicago, so summarized the conclusions in his address on "Medical Care in the Family Budget."

"Nobody can tell when he is going to be sick or what his sickness will cost him," Dr. Rorem said. "This fact underlies much of the complaint about the cost of medical care. The need for medical care is unpredictable both as to time and the amount of expenditure. Moreover, sickness costs fall unevenly, even among people of the same economic level."

Tenth of Families Bear 40 Percent of Illness Cost

"On the average, people of all economic groups have about the same amount of sickness but they tend to receive medical care in greater amounts if they have higher incomes. This is true, even when allowances are made for the large volume of free service provided by practitioners, philanthropic institutions, and taxpayers. But within any economic group, the poor, the people of moderate means, or the well-to-do experience uneven costs of sickness. Expressed in terms of families, 10 percent must bear 40 percent of the costs of sickness for the entire group. Some families have small bills, some have moderate bills, and a few have large expenditures thrust upon them. If the division of the costs of medical care is expressed in terms of individuals, half the family costs of medical care in the United States apply to the 6 percent of the population hospitalized annually for acute illnesses. The hospitalized illness occurs infrequently but it is very expensive for the individual or the family who must pay the bills from the individual or family budget."

"The duration and cost of an acute illness cannot be predicted by the individual. Consequently, it is impossible for an individual or his family to budget the costs of medical care during any fiscal period with assurance that his average monthly or annual expenditure will cover his actual monthly or annual cost of sickness. For a group of known composition, however, the amount of sickness and the cost of medical care

(CONTINUED ON PAGE 43)

Reimbursement Session Develops Lively Comment

The subject of medical reimbursement, introduced in a paper by Armand Sommer, Continental Casualty, brought out quite a lively discussion, particularly in connection with his comments on the difficulty of covering the health angle under any reimbursement plan and his reference to the rates offered for the inclusion of the health item by some of the Canadian companies, which he believes would be wholly inadequate in this country. He stated in that connection that the moral hazard apparently is considerably less in Canada than in the United States.

E. C. Budlong, Federal Life, said he thought it would be necessary at least to double the Canadian schedule if the idea were applied in this country. He said that from the standpoint of the policyholder, the weakness of the present reimbursement form is that it does not apply to sickness. He favored the allocated plan if such coverage is to be given at all and said it should be restricted as to early claims. He said the present schedule of hospital and surgical indemnities offered by most companies is inadequate and that hospital, nursing and surgical expense have no connection with income indemnity. He questioned whether the form could be written by the smaller companies operating widely and adjusting claims from the home office, and said the multiple line casualty companies are in a better position to write this coverage, because it is more like the other forms with which their salesmen are familiar.

J. E. Powell Discusses Duplication of Coverage

A comment somewhat along the same line was offered by James E. Powell, Provident Life & Accident, who said his company's experience has been that this form is sold for the most part by general casualty agents and that the specializing accident and health or life men do not take a great interest in it. He also took up the question of duplication of coverage, which had been discussed at some length by Mr. Sommer. He said his company provides that only one policy shall be issued to any as-

sured, but that is not enough; there should be a provision that if a similar policy is in force in another company, the application will not be accepted. He told of cases where his company issued the first coverage of that sort and others have put similar policies on top of it. In that case the Provident orders its policy taken up, which of course creates dissatisfaction on the part of the agent. He also took up the question of standard provision 17, which Mr. Sommer said was not effective as to reimbursement coverage, and said he had been informed that one of the larger companies intends to include it in such policies.

He told of a method he had been informed was being used by some companies to get back at a doctor who is making unreasonable charges to policyholders carrying the reimbursement form. It writes the doctor, telling him it supposes he is the family doctor, that it will be forced to cancel on account of these charges, and intends to tell the assured why. This method has been successful in some cases in reducing such exorbitant charges.

Question as to Continuance When Rate Raises Expected

In view of Mr. Sommer's statement that further rate raises on reimbursement are to be expected, Mr. Powell said he did not know whether it is a very smart thing for companies to go on writing a form where they expect a rate increase. He said his company had just gone through a series of rate raises, which got by only through being represented as a depression measure, but stirred up considerable feeling among the agents as it was, and that it had more or less pledged the agents that the rates had now been put on a basis where it would not be necessary to make any more rate raises for a while.

E. N. Loomis of the Industrial Casualty, Bloomington, Ill., said his company had tried out the plan and found that the first thing the policyholder does when a claim arises is to tell the doctor that the insurance company is going to

(CONTINUED ON PAGE 31)

Advantage, Danger in Reimbursement

Sommer Lists Pros and Cons, Holds That Form Can and Should Be Written

IS TEMPERAMENTAL LINE

Must Be Watched and Given Pains-taking Care and Analysis—Further Rate Raises Likely

The advantages and disadvantages of medical reimbursement coverage were summarized by Armand Sommer, Continental Casualty, in introducing the round table discussion on that subject. He held that this form can be written and should be written, but that "it is going to be a temperamental plan and one that must be watched and treated with painstaking care and analysis."

"There are difficulties on the horizon," he said, "that should increase rather than disappear and which will undoubtedly reflect in higher cost to the companies and consequently a higher premium for the public. Although we cannot foresee the future, there seems to be no fundamental barrier to the eventual and permanent writing of medical reimbursement at the proper rating. However, we must school ourselves to the fact that the accident business is to some extent stepping into difficulty, in that the stability which we would all like to see in accident rates cannot be accomplished by the medical reimbursement route."

Gives Protection for One of Vital Needs

He held, however, that medical reimbursement for accident insurance is one of the finest things ever offered to the public by the insurance companies. It gives protection for one of the vital needs and at least at the present time for a nominal premium. This protection absorbs a financial drain that has been a real economic loss, especially to what might be called the "middle class." Formerly a man of small income could not obtain adequate medical expense protection, as this medical expense was a function of the amount of weekly indemnity. The policy has been on the market for five years and he estimated that in many companies 50 to 75 percent of the new business is being issued on that form.

Mr. Sommer referred to the fact that the companies have found many insurance coverages, such as life indemnity-sickness coverage, apparently cannot be written successfully. He then took up the medical reimbursement form to see if the same type of tendencies will make this coverage prohibitive. One important unfavorable factor which is lacking in connection with this form is the shock loss. This coverage cannot incur a huge loss to the company, as payments are definitely limited, usually ranging from \$500 to \$2,000.

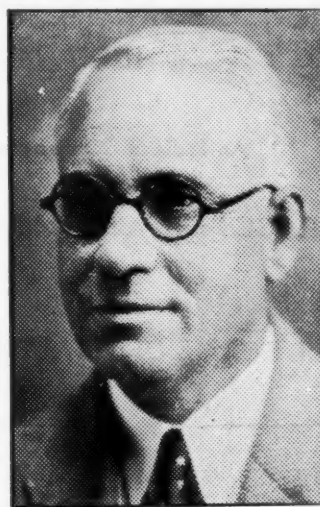
Another point in favor of the coverage is the substantial value at low cost, which allows upward revisions in rates without decreasing the normal complexity of the exposure. Considering \$500 as the unit of measurement, a raise in rates from \$15 to \$18, \$20 or

(CONTINUED ON PAGE 38)

Round Table Leaders



ARMAND SOMMER
Continental Casualty



E. C. BOWLBY
Fidelity Health & Accident

Idea Indorsed by H. & A. Conference

(CONTINUED FROM PAGE 27)

interest aroused in it by the widespread discussion of group hospitalization plans offered by various hospital and medical groups and by the recent entry of a number of the group-writing companies into this field. It was felt that there are many individuals who would not be reached by either the hospital groups or by group insurance plans and the intention is primarily to take care of such individuals.

Written on Individuals, Provides Cash Payment

The coverage would be written on an individual basis and on an optional plan, through a rider which could be attached to regular policy forms, allowing hospital reimbursement in greater amount than the regular weekly indemnity if desired. It also provides for payment in cash, as distinguished from the service contracts of the hospital groups.

The matter was brought up in the form of a report from an informal committee of officials of Chicago companies, headed by C. O. Pauley of the Great Northern Life, which had been giving especial consideration to this subject, and was presented to the conference by Mr. Pauley. In addition to the adoption of the recommendation proposed, the same committee was authorized to make a study of probable net claim costs under the proposed coverage, from all available figures, and communicate to the officials of conference companies the results of that study.

Greater Hazard Than Income Interruption, Rorem Says

The entire session Tuesday afternoon was devoted to the question of medical and hospital insurance, culminating in the adoption of this recommendation. The program included two notable addresses, one by Dr. C. Rufus Rorem, associate for medical service Julius Rosenwald Fund, Chicago, and consultant on group hospitalization of the American Hospital Association, on "Group Budgeting for Medical Care," and the other by Armand Sommer, assistant to the vice-president of the Continental Casualty, on "Medical Reimbursement Coverage," whose exhaustive reviews of the two related subjects provided the basis for the discussion which followed.

Dr. Rorem in discussing the relative importance of income indemnity and the covering of medical costs declared that to the average man the interruption of

income is not as great a hazard as the cost of medical care. He said the great problem of the public is: "How are we going to pay our medical bills and get them into the family budget?" He declared that it could be done only by group action. Especial interest was manifested in the figures he presented showing that while the incidence of reported sickness is about the same in all strata of society (the poor probably having more sickness but not reporting it), the costs are not at all the same, increasing about in proportion to income and averaging probably about 4 percent in each case. He emphasized the unequal distribution of medical costs, with 10 percent of the families paying 40 percent of the bills, while in connection with hospitalization, 6 percent of the patients pay nearly half the bills.

Mr. Sommer pointed out both the advantages and the dangers under medical and reimbursement form, but insisted that it can and should be written, at an adequate rate and under proper limitations. He raised a question as to whether "medical reimbursement" is not a misnomer and suggested a study of the question of some better nomenclature.

Pauley Gives Experience on Coverage in Limited Form

Mr. Pauley, in introducing the proposal recommended by his committee, told of the experience of his company with a form of hospitalization coverage which it has tried out in a limited way for three or four years. He said that when the medical reimbursement idea was first introduced, it didn't appeal to him, and doesn't yet. He considers that its weakness from the standpoint of the public is that it is limited to accident. Most people who have big doctors' bills or hospital bills, he said, incur them as a result not of accident but of sickness.

Most companies have had some sort of a hospital clause, based on monthly indemnity, but he said the trouble from the policyholder's standpoint is that it doesn't pay enough, unless he buys a larger amount of monthly indemnity than is perhaps justified in his case. His company, therefore, experimented with the idea of issuing hospital indemnity in unlevel amounts, allowing the policyholder to buy as much of it as he wants to pay for.

The form used provides that it shall not cover any cases arising less than 60 days after the issuance of the policy, which he said eliminates 90 percent of

the moral hazard. It is strictly a reimbursement form and limits the hospitalization to 90 days. Operation fees are based on the amount of hospital expense. It is sold only to men and issued only as part of a regular accident and health policy. Under these conditions, he said neither the doctor nor the insured can take any great advantage of the company. It is sold in amounts of \$50 to \$250 per month, at a rate of \$8 for each \$100 monthly.

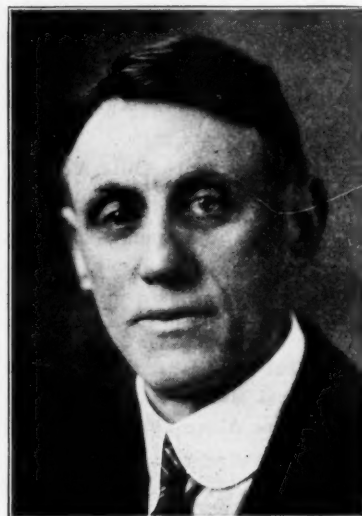
He gave the company's experience on the attachment of this coverage to one particular policy form, showing premiums of \$24,917, hospital expense of \$5,058 and surgical expense of \$4,778, a total of \$9,826 under the two items, or a loss ratio of 39.6 percent. He said that if the form were being revised there were some changes he would probably make, including the setting of the maximum limit at \$200 instead of \$250, fixing the maximum surgical fee at 20 percent below the hospital limit, making it \$80 when the hospital coverage was \$100 per month, and the inclusion of a restriction as to hernia operations. He said that if the purchase of this coverage is made optional it would not infringe on the field of either the hospital associations or the group writing companies, but would fulfill a real need.

Hospital Groups Can Offer Coverage for Less

There was some question as to the suggestion in the resolution that the coverage should cost the average wage earner from 50 cents to \$2 per month and inquiries as to the basis for those figures were made by Paul Clement, Minnesota Commercial Men's and C. C. Inman, Illinois Mutual Casualty. Mr. Pauley said the question of how much the companies would have to charge for this coverage must naturally be a matter of experiment. It was as a result of this discussion that the committee investigation of probable costs was authorized.

Dr. Rorem said in that connection that the general experience of the doctors' and hospital groups had been that the cost was about 1 to 15; that is, that for an average premium of \$6, \$90 to \$100 in service could be given. He warned, however, that insurance companies, which have to pay the regular fee schedule, may have difficulty in competing in the matter of rates with the professional groups, as the hospitals, which are already on a going basis, will base their charges on the additional cost they incur rather than the average cost for the hospital as a whole. Where hospital beds are idle, the management wants to fill them, even if the income is considerably below the regular rates.

Presents New Plans for Hospitalization Benefits



C. O. PAULEY
Great Northern Life

The same is true of the doctor who has a fixed overhead.

He said the experience had been much better with groups than with individuals. The group plan avoids the adverse selection, involves less book-keeping and brings greater solidarity. If 1,000 people in a town are insured and one receives benefits, only a few of his friends know about it, but in a group everyone hears of it. He also said that in talking to groups of buyers, he had found that they are more interested in getting service than reimbursement.

Armand Sommer, Continental Casualty, who introduced the discussion on medical reimbursement Tuesday afternoon, was receiving congratulations on his election as president of the National Accident & Health Association at its recent meeting in Cleveland.

Dr. J. R. Neal, Abraham Lincoln Life, former conference president, has been a busy conventioneer, going directly to Chicago from the meeting at White Sulphur Springs of the Medical Section of the American Life Convention, where he presided as chairman.

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Also

ALL FORMS OF HEALTH AND ACCIDENT INSURANCE

CAPITAL \$150,000.00

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GOOD CONTRACTS TO REAL PRODUCERS

Suggestions for Effective Correspondence Presented

Much interest was aroused by the address of J. H. Torrance, vice-president and head of the claim department of the Business Men's Assurance, on company corresponding. The subject originally assigned was "Building Good Will Through Effective Correspondence" but he amended it to "Building and Maintaining," contending that it is as important to maintain as to build good will. He took up correspondence in three classes, with salesmen, with policyholders and with prospects and the public. He listed many of the essentials in effective correspondence and in correspondents, and told how the average practice in that respect could be improved.

Huggins' Comments Are Presented by Carroll

W. E. Huggins, head of the claim department of the Mutual Benefit Health & Accident, who was to have led the discussion of Mr. Torrance's paper, was unable to be present on account of the critical illness of his father, but S. C. Carroll of that company presented some notes on the subject which Mr. Huggins had prepared. He emphasized that if mistakes are made there should be a frank acknowledgment of it. With sales resistance greater in the past three or four years than ever before, he said that it is correspondingly easier to lose old business. A few letters of the wrong type in a community where there is a good volume of business can wreck that business and make it difficult to rebuild.

He said the man handling correspondence with policyholders should have had experience in the field. He should be able to visualize the feeling of the salesman as well as the buyer. When a controversial question arises, he believes it should be assumed that a mistake has occurred rather than that there is an attempt to distort the facts or take advantage of the company.

A letter, in his opinion, should reflect the personality of the writer. He said that copying another's ideas too much is like the use by a salesman of a canned sales talk.

Follow-up Necessary in Letter Writing Course

Dr. W. A. Granville, Washington National, pointed out two things that should never appear in a business letter: (1) sarcasm, which, he said, is a sign of fatal weakness; (2) humor, in which the recipient may miss the point or put a different construction on it. Furthermore, he said, it can serve no useful purpose even when it is successfully put across.

He strongly endorsed Mr. Torrance's suggestion of a course in letter writing. He told of some of his own experiences with such a course, prior to his present connection, which did not have the results expected because of the lack of proper follow-up. He emphasized the necessity for that feature.

Reimbursement Session Develops Lively Comment

(CONTINUED FROM PAGE 29)

take care of the expense. In an analysis of 200 cases, it was found that in practically every case the bill under the reimbursement feature is just about three times the monthly indemnity. He expressed the belief that until some standardization can be secured in doctors' charges, it will be impossible to make a rate big enough to show a profit on the form.

C. N. Green, Hoosier Casualty, said his company has been writing expense and dismemberment on an allocated basis and while the volume is not large, the experience has been nothing to be alarmed about. He found the \$500 limit

Monthly Premium Mail Collections Discussion Topic

In introducing the round table discussion on "Development of Monthly Collections by Mail," E. C. Bowlby, president Fidelity Health & Accident, declared that any company that has been in business any length of time will be collecting quite a volume of its premiums by mail.

"The American people are a restless people, and for this reason are always on the move," he said. "The sad part of the moving is that the local agent or collector cannot get in touch with them to collect on their insurance. Naturally this business will lapse, unless followed up by mail, and subsequently collected by mail. Likewise many policyholders move into territory not covered by an agent or collector, or even into states in which the company is not licensed to operate; therefore, if this business is to be saved, it must be saved through the mails.

"While most of our own business is on the monthly premium basis, and always has been, the greater part of our renewal premiums have been collected by agents, or local collectors, who remitted to the home office. This same system is generally used by most of the companies writing weekly and monthly premium business.

New Mail Collection Plan Adopted Three Years Ago

"About three years ago our company departed from the old system of having agents make the collections, to see if it was possible to collect monthly premiums by mail. You, of course, are familiar with what general conditions have been during these three years and perhaps it was not the proper time to do any experimenting. However, we have been very much pleased with the progress we have made. We have been agreeably surprised that the renewals have been as good as they are. While the normal lapse is somewhat higher than it is on debit business, the percentage of lapse is governed largely by the way the agent has sold the business. Business properly written will always renew better than business not so written. This is true with debit business as well.

Some of the advantages as I see them are: (1.) Once the business is established, it will be more permanent; (2.) the company has full control of the business; (3.) no chance for agent's shortages; (4.) once established, the cost of collecting will be considerably less; (5.) opens up new fields for business, such as small towns and country territory.

"Some of the disadvantages: (1.) All claims are paid from the home office, with no local agent to assist the claim department in checking or investigating; (2.) agents not as careful in their underwriting; (3.) loss of personal contact, by agent not calling regularly at home; (4.) loss of possible new business through agent not being in personal touch with policyholders; (5.) greatly increased correspondence and detail work in caring for the business.

Others scheduled to participate in the discussion of that topic were O. F. Davis, Abraham Lincoln Life; O. T. Hogan, United of Chicago; H. J. Weaver, Central Casualty; John Patterson, Great Northern Life, and E. A. McCord, Illinois Mutual Casualty.

the most popular. E. W. Day, Lumbermen's Mutual Casualty, substituting for Paul Stade of that company, who was unable to be present, said his company was writing the business in limited amounts and had had little difficulty so far. He also raised the question as to the applicability of Standard Provision 17.

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. . . it opens a
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women and children.

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"True to Its Name"

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LARGE COMMISSIONS AND LIBERAL RENEWALS
A SMALL SALARY WHILE RENEWALS ARE BUILDING
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Established 1883

Indemnifiers for
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Attractive, up-to-the-minute
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ice to policy-
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STRONGER THAN EVER *Our Financial Story*

Continuing a record of consistent gains—
maintained even during the four years of the
depression—the first five months of 1934 have
seen the highest production marks of the com-
pany's history smashed—

*A bright new chapter in
our forty-eight year record
of service to humanity*

The PROVIDENT

LIFE AND ACCIDENT
INSURANCE COMPANY
Chattanooga Tennessee



LIFE—ACCIDENT—HEALTH—GROUP

Ray Recommends Uniform Phraseology

(CONTINUED FROM PAGE 28)

at all uniform—in fact no two alike. "This without a shadow of a doubt proves the necessity of a uniform standard of policy construction," he said.

He said that in the beginning of this class of business the tools were crude and inexperienced, but present conditions call for new or improved equipment. Policies of yesterday will not meet the demand of tomorrow. He cited the great uniformity found in fire insurance and said that automobile insurance, while a much younger line than accident and health, has a more uniform standard policy and rates than many of the older lines of insurance. He advised that the claim and legal departments be consulted in drafting policies and referred to the widely divergent decisions of the courts in cases apparently involving the same general issue.

In that connection he also spoke of the need for educating the public on insurance matters. He said that the conference has in the past given some time and attention to the matter and should continue to do so on an even more elaborate scale.

Teaching Insurance in All Schools and Colleges Urged

"The chance of misunderstanding is greatly eliminated when people understand one another," he said, "or better to say, have some knowledge of the subject under discussion. In my judgment we would accomplish much more in less time at less expense by devoting the united effort of all insurance organizations for the teaching of insurance in all schools and colleges. Why shouldn't that be in vogue now? What is of more importance to humanity?"

He spoke of the agitation for unemployment insurance and the question as to whether that is a risk which insurance companies could properly cover. He referred to hospital insurance, or medical, surgical and hospital expense; old age pensions, state insurance and federal supervision as among the problems with which the companies will have to deal in the near future.

"Some of the movements proposed apparently are not at all feasible from an insurance standpoint and such movements can and will be curtailed or substantially weakened by the combined efforts of this and kindred organizations, in pulling together in seeking a logical standard of workable methods that will meet the test of all hazards and proposals and at the same time satisfy the public," he asserted.

Municipal Bankruptcy Act, Taxation Problem Serious

He said that the municipal bankruptcy bill, which has now become a law, is one that greatly concerns insurance companies. He referred to the heavy burden of taxes and fees, amounting to 15 times as much as is necessary to run insurance departments, and urged a combined movement on the part of all insurance company organizations for relief from excessive taxes. He suggested as the first step in such a movement elimination of charges for departmental examinations, stating that some states at the present time make no charge for such examinations of their home companies.

Mr. Ray, who has been attending the meetings of the conference for more than 30 years, reviewed its accomplishments and the vast changes in conditions since its organization. He spoke of the prevalence of twisting in the early days and the higher standards now established among both company and agency men. He emphasized the necessity for dependability in the man in the field as well as in the home office.

Summarizing the difficulties encountered in recent times, he said:

"For the past three years or more all

resources of mental ability have been put to a real test in various lines of business and insurance with its setup has come in for at least its share of obstacles or difficult problems to solve, but in face of all the troublesome problems health and accident insurance has demonstrated its soundness by its ability to meet and successfully overcome the many obstacles set before it. Because of that successful accomplishment a higher standard of efficiency has been developed at the helm of all insurance companies, and likewise all insurance agencies, who by their loyalty and cooperation have helped to make possible the wonderful progress achieved. We are bigger and better by having met the test. We are better trained and stronger for what might be in store for us in the future."

Paul H. Rogers Is on Hand

Paul H. Rogers of the Aetna Life, who was one of the influential figures in the conference ranks during his long association with the Massachusetts Bonding, was on hand renewing old friendships.

An enlarged opportunity

A full line of monthly industrial Accident and Health policies has just been added to the business building equipment at the command of representatives of this Company.

This new line of policies rounds out the protection offered by us, with premiums to suit every kind of purse, and benefits as generous as the premiums allow.

The return of better times will mean a large potential demand for Income Protection. Men have learned what it is to be without incomes. As unemployment decreases, accident and illness will become once more the most serious menaces to incomes.

What business has a greater opportunity now than Accident and Health?

**Great Northern Life
Insurance Company
Chicago**

Non-Can Can Be Profitable

(CONTINUED FROM PAGE 28)

experience of foreign companies and societies.

(2) The lack of experience in underwriting and selling this form of insurance.

(3) The changes in individual incomes and purchasing power which, in the absence of prorating clauses, led to overinsurance in the first post-war depression.

(4) Sales resistance resulting from successive increases in rates.

(5) The inclusion of coverage broader and more liberal than was warranted.

(6) The growth of insurance-consciousness among policyholders, doctors and lawyers, and the partiality of courts and juries to the claimants.

(7) The uncertainty surrounding the problem of reserves.

He reviewed in some detail the admitted advantages of the noncancellable form for both the buyer and the agent and said that what was good for the agent and good for the policyholder should be good for the company, if it can be sold at a profit.

Two General Forms of Contracts Are Developed

In the last 13 years, he said, a gradual evolution has taken place, based partly on experiment and partly on the experiences and mistakes of the past, with new forms of policies and underwriting practices emerging. Two general forms of contracts have been developed, which now seem to point the way in which business is directed.

One form provides a limited period of coverage on any one disability, although the contract is renewable to age 70 at the option of the assured. The other form places an aggregate or collective limit on all disabilities. These contracts cover a very high percentage of all disabilities, but limit the company's loss on permanent and on recurring cases. "There is no denying the social and economic need of a policy that covers all disabilities without limit," he added, "but until the experience is more fully developed, it is prudent for a company to restrict itself to one of the foregoing forms. While the life income policy without limitation on the period of benefits is still sold by several companies, the tendency seems to be toward its replacement by a policy containing an aggregate limit."

"Recently one company has adopted an ingenious accident policy which is noncancellable after any part or all of the premium for the third policy year has been paid to and accepted by the company. During the first two years the company may decline to renew the policy. This policy would appear to have a distinct advantage to the company, at the same time giving the assured better protection than is afforded by a cancellable policy."

Contracts Issued by Five Leading Companies Outlined

He briefly outlined the contracts now being issued by the five leading companies, including three life income forms, three with a collective or aggregate limit and one which limits indemnities on one claim to 15 months but puts no aggregate limit on all claims. This policy provides that if the assured recovers and engages in his usual occupation for six months or more, any recurrence of the disability will be regarded as a new period of disability, but if the period of recovery is shorter, any further disability from the same cause will be considered a continuation of the original claim and the combined period limited to 15 months. This provision, Mr. Young said, permits a definite distinction to be made between new claims and recurrences of the same claim.

To demonstrate that the departure from life income policies to the aggregate

indemnity or limited period indemnity forms is well advised, he cited the ratio of losses and claim expense incurred to premiums earned for the five leading noncancellable companies, under two groups. Group A in this listing includes the companies which have written primarily policies with an aggregate limit or a limit on each individual claim, and Group B comprises companies writing primarily life income policies.

| LOSS AND CLAIM EXPENSE RATIOS | | | |
|------------------------------------|------------|-------------|--|
| Noncancellable Accident and Health | | | |
| Year | Group A | Group B | |
| 1925..... | 66 percent | 96 percent | |
| 1926..... | 62 | 76 | |
| 1927..... | 67 | 72 | |
| 1928..... | 64 | 76 | |
| 1929..... | 57 | 73 | |
| 1925-1929 (Aver.) | 63 | 77 | |
| 1930..... | 61 | 79 | |
| 1931..... | 65 | 92 | |
| 1932..... | 69 | 111 | |
| 1933..... | 68 | 162 | |
| 1930-1933 (Aver.) | 66 percent | 111 percent | |

Influenza Epidemic Proved Value of Waiting Period

One exception to the general experience was in 1927, when an influenza epidemic occurred. For that year the Group A companies, including the Monarch, experienced a substantial increase in loss ratios, while the Group B companies showed a decrease. The reason assigned for this is that the contract for the latter companies included substantial waiting periods, which would exclude entirely most of the influenza losses. This was cited as a striking example of the value of a waiting period.

Mr. Young's company writes only the type of noncancellable policy providing indemnity for a limited period on any one disability, but without an aggregate or collective limit on all types, and he said that nearly 13 years of experience on this type have brought satisfactory results. The increased premium at age 50 and decreased benefits at age 60 tend to maintain a level loss ratio as the business increases and minimize the reserve requirements.

The loss and claim expense ratios on the Monarch's noncancellable business averaged 54 percent for 1925-1929 and 58 percent for the four depression years, 1930-33, inclusive. "We regard this small increase in loss ratios during a difficult period as the most satisfactory test of the soundness of our coverage that has yet come to light," Mr. Young said.

Among the points which the experience has brought out are:

An elimination period, even of only

Talks Non-Can



CLYDE W. YOUNG
Monarch Life
Chairman Executive Committee

Double-Barreled Service

● Complete personal income protection is only possible when you can offer in addition to accident and health insurance—life insurance on income plans for retirement and family protection.

● Through the Monarch Noncancellable, Incontestable, and Nonprorating Provisions, we have given our disability coverage the major safeguards and guarantees of legal reserve Life Insurance.

● Monarch Representatives have a high proportion of sales to interviews because they can use BOTH BARRELS on every prospect.

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Commercial Health and Accident
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Beneficiaries

25 Years of Uninterrupted Progress

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Accident and Sickness Insurance

**40 Years
of Service**

**LIBERAL POLICIES
PROMPT SETTLEMENTS**

Agents Wanted in Wisconsin and Michigan

The Time Insurance Company

SECURITY BUILDING MILWAUKEE

C. G. TRAPHAGEN,
President

E. GILJOHANN,
Secretary

JOHN A. KEELAN,
Ass't Sec'y and
Agency Mgr.

TO A CLERGYMAN ALWAYS SAY:

"The Ministers Life and Casualty Union of Minneapolis offers sound Life, Health and Accident Insurance at Bottom Cost."

Incorporated 1900

The Ministers Life and Casualty Union
Minneapolis

MELL W. HOBART, Secy.

W. G. CALDERWOOD, Treas.

Accident Life Health

UNITED INSURANCE COMPANY

(Founded in 1919)

2721 South Michigan Avenue, Chicago

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MONTHLY PREMIUM ACCIDENT AND HEALTH INSURANCE
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THE ACCIDENT & HEALTH REVIEW
The only exclusive accident and health paper published.
Address your inquiry to A-1946, Insurance Exchange, Chicago

a few days, is of substantial value, particularly as applied to the sickness benefits.

An adverse experience can be more successfully corrected by a restriction in benefits, than by an increase in rates.

Full indemnity for nonconfining illness is an expensive feature and one which should be avoided in any noncancellable contract.

Contrary to the opinion of the underwriting committee of the bureau, the accidental death and dismemberment benefit has proved to be satisfactory and the most profitable part of the contract. "However," Mr. Young said, "we have rarely written over \$5,000 on a single life, thus avoiding the hazard of overinsurance and fraud."

There is a marked increase in loss ratios as the size of the policy increases, but Mr. Young said that within the limits which the company issues this is practically offset by the decreasing expense rate. Nearly half of the expenses are for general home office and agency overhead and a policy with \$25 premium in most respects is as expensive to handle as one involving a \$100 premium.

He emphasized the fact that the agent plays a very great part in determining the loss ratio of the business and that the improvement of the agency force should be regarded as the chief safeguard while the companies are still developing a relatively new type of insurance. He declared that noncancellable business submitted through the medium of brokers or by mail should be watched closely and even discour-

aged, because the selection is adverse to the company. Applicants with some realization of the investment possibilities of noncancellable contracts select the company in which their chances of profit are greatest, instead of the companies selecting applicants who are sold on the protection argument. He reviewed the trend toward lower limits, to prevent over-insurance, and the effect of occupation on the accident risk, considered from three angles, the actual physical hazard, the moral hazard and the nature of the occupation from an economic viewpoint, and said that any occupation which is not stable or regular, or which is seasonally affected, is to be avoided.

He also took up in some detail the question of reserves, which has been a troublesome one for companies writing that class, with many changes in insurance department requirements. In summarizing this angle he said: "Adequate reserves are as important in noncancellable accident and health insurance as in life insurance. While a company can continue without proper reserves for a long period during which new business is being produced at an increasing rate, and show apparent financial progress, a slackening of production will soon reveal the necessity of reserves. To be sound a company must always be in a position to meet its future obligation from its reserves together with future premium collections on existing business, without anticipating profits or income from future new business. This is the fundamental theory of reserves."

Human Factor in Claims Important

(CONTINUED FROM PAGE 28)

own particular case is the most important one the company has to consider, and regard must be given to this factor.

He referred to the attitude taken by the man who was in charge of claim work for his company at the time Mr. L'Estrange joined it in the agency department. He seemed to be especially well qualified and was a thorough gentleman in his demeanor and conduct, but started his consideration of every claim with the assumption that it was illegitimate. As a result, even though a claim were paid in full, ill-will was engendered which did irreparable damage. He said, however, that such an attitude is rarely encountered nowadays and that a claimant is deemed honest until proved otherwise.

In classifying claimants into understandable groups, he suggested there are probably not more than five such divisions: (1) The regular claim, which should be paid promptly and in full; (2) the regular though unduly prolonged claim; (3) the apparently irregular claim, which is proved otherwise by investigation; (4) the irregular claim, occurring primarily through misunderstanding on the part of the policyholder, and (5) the fraudulent claim. In dealing with the irregular, and even the fraudulent claim, he suggested that understanding treatment is likely to bring better results than drastic measures.

Especial attention was given to the agent as a factor to be considered in claim settlements. He declared that at least 75 percent of the "grief" or misunderstanding in the accident and health business is directly chargeable to and controllable by the writing agent. Often, he said, "too little time is given by the agent to a realization of the fact that he is in contact with a fellow human being when he is soliciting him, resulting in carelessness in completing the application, innocently assisting the applicant to misrepresent. In all too many instances there is deliberate effort on his part to get the application under any circumstances and let the claim department assume the responsibility from that time on."

Mr. L'Estrange said that he always

calls on the agent before or after settlement of any claim, as the errors of omission or commission are often due to misunderstanding, and the best thing is to sit down and talk it over with him. The agent's attention is called to the fact that in the final analysis he is the sufferer in any case where "grief" or ill will is created by factors over which the agent has control. While the company may lose some business and prestige, the agent loses both in a greater measure.

Stress is laid in these talks with the agent on the fact that every policyholder must be considered as a potential claimant. The new policyholder should be acquainted with the reasons for proper classification; the effective date of the policy, with full details as to any time limitations that it may contain. He should be enlightened as to the necessity of promptly notifying the company in the event of disability and careful distinction be made between total and partial disability under the accident clause as differentiated from confining and non-confining disability under the illness feature.

He recalled an interesting personal experience when he was in agency work. In calling on a prominent physician in an Indiana town, a question came up as to the application of the confining and non-confining illness clause to a particular set of circumstances described. Mr. L'Estrange told him that under his company's policy he would be paid for non-confining only. The agent of another company in which the doctor was already insured insisted it would be recognized as confining, although the wording was identical. Because he maintained his position, though at the risk of losing the sale, Mr. L'Estrange got the "app." The new policyholder helped him get 14 more and has since been of great assistance to the company's representative in that territory.

Furthermore, he had a claim six or seven years after purchasing the policy, involving the conditions discussed in the original conversation. There was no controversy and no dissatisfaction, because he understood exactly what he was entitled to, and he continued an ardent booster for the company.

Live Topics Bring Record Attendance

(CONTINUED FROM PAGE 27)

a number of years ago on the retirement of H. A. Luther. He was elected vice-president early in 1931. He has been active in conference affairs for many years.

Other officers tentatively agreed upon are: First vice-president, J. H. Torrance, Business Men's Assurance; second vice-president, M. W. Hobart, Ministers Life & Casualty; secretary, John M. Powell, Loyal Protective.

New members of the executive committee—Clyde W. Young, Monarch Life; O. B. Hartley, Great Western; C. W. Ray, Hoosier Casualty.

At the opening session Ernest Palmer, director of insurance of Illinois, in his address of welcome said it was his aim to put the insurance business in Illinois on as high a plane as possible for the benefit of the policyholders. In speaking of the functions of the insurance department, he said it was necessary to do some police work but it would prefer to devote its time to constructive effort. He said the question usually asked of the department today in regard to any insurance company is as to its financial strength. Citing the old adage that any chain is only as strong as its weakest link, he pointed out that this is applicable to the assets of the companies. Every point he made was brought in by means of an appropriate story. He closed with a high tribute to insurance as an institution.

H. O. Edmonds, vice-president Northern Trust Company, Chicago, and head of the trust division of the American Bankers Association, outlined some of the types of investments that are best for trust funds and for insurance companies, placing them in the same class, and gave some of the points that must be considered in connection with such investments. He said at the outset that 36 years in the banking business had only served to convince him that he knew very little about the subject of investments.

J. H. Torrance, vice-president Business Men's Assurance, gave a very comprehensive talk on "Building and Maintaining Good Will Through Correspondence."

C. W. Ray, Hoosier Casualty, president of the conference, in his annual address reviewed his 30 years of association with the organization and its accomplishments in that time, and emphasized the desirability of greater uniformity in policy phraseology.

Wednesday's session was opened with an address by C. W. Young, president Monarch Life, on "Non-Cancellable Accident and Health Insurance," in which he reviewed the history of that line and the problems encountered in connection with it, but dissented very strongly from the idea that it was a dead issue, stating that it is still being written and can be written, under certain conditions which he outlined.

Talks on Letters



J. H. TORRANCE
Vice-President Business Men's Assurance

The rest of the day was devoted entirely to round table discussions, including those on "Accident and Health Insurance for Women," introduced by Miss Elizabeth Lindstrom, North American Accident; "Development of Monthly Collections by Mail," E. C. Bowlby, Fidelity Health & Accident; "Human Aspects of Claim Settlements," G. A. L'Estrange, Abraham Lincoln Life, and "Grace Periods," W. G. Tallman, Great Western.

At the close of the afternoon program an executive session was held, open to representatives of member companies only, at which the treasurer's report and various committee reports were presented and routine business of the conference disposed of.

The executive committee decided to extend facilities of the conference office to special groups which may meet to discuss such subjects as newspaper policies, teachers groups, etc. This action later was confirmed by the conference. The assistance of Executive Secretary Gordon thus will be extended in arranging meetings, securing statistical data, etc.

The special topics for consideration Thursday morning were "Uniform Phraseology for 'Additional Provisions,'" introduced by C. O. Pauley, Great Northern Life, and "Five-Classification Manual," Harold R. Gordon, executive secretary of the conference.

Department Men Present

The two insurance commissioners who appeared on the program, Ernest Palmer of Illinois, who gave the address of welcome, and H. E. McClain of Indiana, banquet speaker, found a good representation of former insurance de-

partment men in the conference ranks, including Col. J. W. Blunt, Monarch Life; J. F. Ramey, Washington National; J. W. Scherr, Inter-Ocean Casualty; T. L. Anderson, Federal Life, and S. C. Carroll, Mutual Benefit Health & Accident.

McClain Banquet Speaker; Golf Prizes Are Presented

The highlight of the banquet Wednesday night was the appearance of Harry E. McClain, Indiana insurance commissioner, who fully sustained his reputation as an after-dinner speaker and entertainer. A notable program of musical and specialty numbers was also provided.

Announcement was also made of the winners of the golf tournament which was held Monday at the North Shore Country Club, followed by a dinner to which non-golfers as well as golfers were invited.

S. C. Carroll, Mutual Benefit Health & Accident, presented the prizes to the winners, who were: Low gross, A. H. Hepler, Jr., Income Guaranty; second low gross, R. L. Spangler, Woodmen Accident; low net, Dave Sherman, National Travelers Casualty; second low net, H. G. Royer, Great Northern Life. A special guest prize was also presented to Keith Johnson, Industrial Casualty, Bloomington, Ill., who had the lowest score of any player participating in the tournament.

Two New Members Elected

At a breakfast session of the executive meeting the Federal Life & Casualty of Detroit and the Illinois Commercial Men's of Chicago were elected to membership.

T. Leigh Thompson, former conference president, for many years vice-president of the National Life & Accident and now retired, and Frank A. Post, editor of the "Accident & Health Review," become honorary members.

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I N D I A N A P O L I S, I N D I A N A.

The National Underwriter

June 21, 1934

CASUALTY AND SURETY SECTION

Page thirty-seven

Property Floater Winning Approval

Illinois and California Make
Change in Rules to Permit
Issuing Contract

MARINE RULING MODIFIED

Join Procession of States to Rescind
Prohibition Against Writing the
Controversial Contract

Illinois has joined the procession of states modifying the marine definition, so as to permit the issuance of the comprehensive household policy. Insurance Director Palmer of that state has rescinded that section of the definition of insuring powers of marine and transportation companies, which prohibited the issuance of any policies substantially the equivalent of the personal property floater, sometimes referred to as the householder's comprehensive.

Indiana a few weeks ago modified the definition to permit the writing of this policy and Arkansas took similar action.

Such modifications deal a heavy blow to the effectiveness of the uniform definition and they are discouraging particularly to casualty companies which do not have fire company affiliates. Independent casualty companies are not able to compete for this business but they suffer where their assured surrender residence burglary policies in order to buy the comprehensive policy, which embraces the burglary risk as well as other perils.

CALIFORNIA MODIFIES RULING

SAN FRANCISCO, June 20.—All companies licensed to transact marine in California may on and after June 18, issue the personal property floater, according to an order issued by Commissioner Mitchell.

PENNSYLVANIA ADOPTS DEFINITION

The Pennsylvania department has adopted the nation-wide definition of marine writing powers, effective June 15. Annual policies, which attached prior to June 15 may continue as written to the final expiration date. Policies covering for a stated period longer than one year, which attached prior to June 15, must be canceled or amended to conform to the ruling not later than the next anniversary date of their attachment. Continuous policies, which attached prior to June 15, may continue as written to the next anniversary date of their attachment, but thereafter, must conform to the ruling.

ACTION IN MISSISSIPPI

JACKSON, MISS., June 20.—Commissioner Riley has announced that the rule governing the writing of marine and transportation insurance promulgated by the National Convention of

Occupational Diseases — Kind and How Acquired

Attorney Charles C. Kirk, 111 West Monroe street, Chicago, who is contributing a series of articles on occupational diseases to THE NATIONAL UNDERWRITER and who has made a wide study of the subject, both from a legal and medical standpoint, continues his observations in this issue, showing the kind of occupational diseases and telling how they are acquired in certain industries. He says:

Many Industries Have Occupational Hazards

In the preceding articles, attention was called to the fact that there are 300 or more types of industries, which unless proper health safeguards are installed, may subject the employee to an occupational disease.

An attempt will be made to classify some of the industries that give rise to certain types of diseases. In doing so, however, in this and other articles, it will be well to bear in mind that many industries will be cited, and the type or kind of diseases named as likely to be contracted therein. Other diseases, not herein specifically named, may overlap and simultaneously be present, being also occupational, and are brought about through the destructive element of the first disease affecting the lungs and heart.

Occupational Disease Causes Arising From Industries

Dust arising in certain industries may be irritant or non-irritant, poisonous or non-poisonous. If poisonous, then other body organs will in time become affected besides the lungs or heart; and likewise, a blood affected condition may also be simultaneously present.

A general classification of occupational diseases may be had by ascertaining the causes of such diseases arising from those industries which have to do with the following:

1. Metallic Dusts.
2. Organic Dusts.
3. Inorganic Dusts.
4. Vegetable Fibre Dusts.
5. Animal and Mixed Dusts.
6. Toxic Dusts, Fluids and Metals.
7. Noxious Gases, Fumes and Smoke.
8. Improper or insufficient ventilation.

General Term Embraces Diseases Due to Dust

All dust diseases are generally medically termed as "pneumoconiosis," which term is taken to embrace those diseases of the lungs due to inhalation of dusts of the various dust creating occupations. The medical fraternity again divides pneumoconiosis according to types of dusts, silica mines, stone cutting, stone crushing and sand pits,

Insurance Commissioners, will apply in Mississippi. Mr. Riley as well as companies and agents interested believe that the enforcement of this rule will stop rate cutting, resorted to under the subterfuge of writing commercial fire risks under inland marine covers.

foundries, and the various uses of sand or stone in a manufacturing process. A disease of the lungs so acquired, is termed silicosis; coal dust or coal miners disease, as anthracosis; metallic dusts, particularly oxide of iron, siderosis; chalicosis is due to the inhalation of particles of silex alumina.

The subjoined industries that have to do with metallic, organic or inorganic dusts, toxic dust fluids and metals, noxious gases, fumes and smoke are some of the principal classifications from which occupational diseases arise, yet these classifications, as far as the type of disease is concerned, overlap in that the toxic dust may, at the same time, be organic, inorganic, or metallic, and produce a lung or heart disease and a blood condition simultaneously. Therefore the classification should not be thought inclusive or exclusive of all industries from which an occupational disease may arise:

Inorganic Dusts:

Asbestos Industry.
Marble and Stone Industries.
Foundry Industry.
Brick Manufacturers.
Cement Workers.
Pottery Industry.
Glass Industry.
Cut Glass Industry.
Flint Workers.
Gypsum Industry.
Linoleum Makers.
Mica Industry.
Phosphate Mill Workers.
Quarry Workers.
Sand Blasters.
Sand Machine Operators.
Slate Industry.
Tile Makers.

Organic Dusts:

Textile Industry.
Felt Hat Industry.
Broom and Brush Manufacturers.
Cigar, Cigarettes and Tobacco Mfrs.
Cotton Mill Workers.
Tannery and Fur Industry.
Saw Mill Workers.
Wool Workers.
Glue Industry.
Grain Elevator Workers.
Hemp and Jute Mill Workers.
Knitting Mill Workers.
Match Factory Workers.
Mattress Industry.
Starch Manufacturers.
Soap Manufacturers.

Metallic Dusts:

Buffing Machine Operators.
Carborundum Industry.
Concentrating Mill Workers.
Electrotypers.
Emery Wheel Industry.
Engravers.
Graphite Workers.
Junk Industry.
Lead Industry.
Lithographers.
Pneumatic Tool Workers.
Metal Polishers.

Toxic Dusts, Fluids and Metals Have Effect on the Workers

The hereinafter named industries may create a poisonous absorption or inhalation and affect the blood. This condition necessarily involves the heart, kidneys, liver and lungs. Other diseases, which are neither heart, kidney nor liver, manifest themselves as an

(CONTINUED ON PAGE 43)

New York Gives Rating Approval

New Formula for Compensation
Is Praised by Leon S. Senior,
Bureau Manager

REMOVES CONTROVERSIES

Will Automatically Adjust Premium
Level to Loss Costs, Whether
Up or Down

The New York department has approved a new compensation rate scale effective July 1, which amounts to a general increase of 10.3 percent. This action caused much gratification among company executives, because the program submitted to the New York department embodied practically all features of the compensation program, which was recently presented at the meeting of the executive committee of the National Convention of Insurance Commissioners in Chicago. However, there is no provision in the filing for showing the rate increase as a surcharge on the compensation policy.

The proposal to freeze commissions and company expense, other than taxes and claim expense, at the 1933 level was presented to commissioners in Chicago, as a recommendation of companies and agents. The filings in New York contain the usual 40 percent expense loading factor. It is pointed out, however, that the companies and agents could agree upon a commission arrangement privately, however.

Deficiency Is Cited

Superintendent Van Schaick, in announcing approval of the rate increase, stated that the sums available out of New York state premiums in 1933 for payment of benefits were deficient to the extent of more than \$4,000,000. During the nine years from 1925-1933 inclusive, the proportion of earned premiums available for benefits was deficient by \$30,737,000 in sums needed to provide for incurred losses.

"The importance of adequate rates," he stated, "for this class of insurance lies in the necessity for providing sufficient reserves to enable companies to pay proper benefits to injured workmen and their families."

The schedule submitted the department by the Compensation Insurance Rating Board covered the classified experience for five policy years keyed to the level of the latest policy year and developed to an ultimate basis. The loss ratio was more than 10 points in excess of the allowable ratio of 60 percent. In 1933 the countrywide expense ratio was 47 percent as compared with a loss ratio of 72 percent. Had the rates in force been upon a 60 percent loss basis the expense element for the past year would not have been disproportionate. The compensation pre-

miums in New York in 1933 aggregated approximately \$40,000,000 for all carriers, as against \$106,500,00 throughout the country by companies reporting to New York.

Superintendent Van Schaick received a communication from the executive committee of the New York State Association of Local Agents, urging approval of the program.

SENIOR OUTLINES BENEFITS

NEW YORK, June 20.—In advising members of the Compensation Insurance Rating Board of the approval by the New York department of the revised formula for rating compensation risks effective July 1, L. S. Senior, general manager of the Bureau, outlines the advantages of the new program thus:

"Under the old plan the question of rate level has always been a controversial point among the carriers and with the insurance departments. Under the proposed plan all controversies respecting the rate level will be eliminated since the formula provides a specific method for determination and there can no longer be any argument as to what the rate level shall be for a given year. The removal of these controversies will be beneficial in promoting good feeling among the carriers and supervising officials.

"The formula, followed consistently from year to year, should provide an adequate system of rates, supplemented by the formula for relativity in classification rates, which has been tried out and proven successful. We will then have a rate structure both reasonable and adequate.

"The annual revision of rates carried out consecutively without friction or debate, pursuant to an automatic system, will make possible rapid correction of any rate level which may appear inadequate or redundant.

"The combination of the latest policy year with the latest calendar year experience will bring into the picture all latest developments both as to additional premiums and as to reopened cases.

Removes Elements of Guesswork

"The proposed plan will remove all elements of guesswork and prophecy. It will create a feeling of stability and confidence in our dealings with the carriers and with the general public.

It is particularly gratifying that the principle of a safety factor in the rates, supported by the use of calendar year experience which I and others have advocated in papers written for the Casualty Actuarial Society, has been accepted by the companies generally and approved by the superintendent of insurance for this state. The official recognition of the new formula in this and other states will have a salutary effect in restoring workmen's compensation as one of the desirable lines in casualty insurance."

Manager Laguette Retires

Jules Laguette, manager of the New York rating office of the National Bureau of Casualty & Surety Underwriters, is retiring from the bureau to return to Mexico, where he will assist in the management of the family estate. A farewell dinner was given for him by his associates. He has been connected with the bureau 10 years, first as clerk in the compensation and liability department.

Mr. Laguette is a grandson of the late Don Luis Terrazas of Chihuahua, Mexico, who was at one time counted as one of the wealthiest men in the world. Mr. Laguette came to the United States in 1918, graduating from Syracuse University in 1923. He inherited several million dollars in land and real estate upon the death of his mother several months ago. He announced he has established an agency for a fire company in Chihuahua City, which will be his home.

On his way to Mexico he stopped in Chicago for a visit with Peter Malah, manager of the bureau there, with whom Mr. Laguette worked for a few months several years ago.

NEWS OF THE COMPANIES

Magill & Co. General Agents

Employers Mutual Casualty of Chicago Makes Important Chicago Connection—Company Is Strong

Announcement is made this week of an important additional appointment in Chicago by the Employers Mutual Casualty of Iowa, Henry P. Magill & Co., being appointed Illinois general agents and L. L. Andres, who resigned recently as Chicago manager for the Iowa Mutual Liability, being appointed manager in charge of business development.

Mr. Magill is head of the National Mutual Church of Chicago and he is thus an important factor in both company and agency ranks.

The Employers Mutual Casualty in 1933 for the 11th time led all companies in casualty writings in Iowa. The premiums in that state were \$579,681. Its automobile business has been constantly increasing and during the first five months of this year, automobile premiums are 30 percent greater than for the same period a year ago.

Security Values Hold Up

The company prints a list of its bond holdings and shows that bonds with a par value of \$1,002,486 at the end of the year had a market value of \$997,892, which is a remarkable showing. As of Dec. 31, 1933, the company's cash amounted to \$70,730 and total assets \$1,226,374.

Claim reserve amounted to \$506,648, premium reserve \$388,193 and net surplus \$279,819.

John A. Gunn, president of the Employers Mutual Casualty, has a national reputation in the casualty field and he is a towering figure, both physically and figuratively.

Policies Non-Assessable

All of the policies issued by the Employers Mutual are non-assessable.

Total premiums written last year amounted to \$906,250 as contrasted with \$847,675 the year before.

Assets are invested in general obligation bonds and not a dollar of interest or principal was in default.

The company does a general casualty business, writing full cover automobile, general liability, workmen's compensation, etc. It operates in Iowa, Nebraska, Missouri, Kansas, South Dakota, North Dakota, Illinois, Minnesota and Colorado. It is represented by more than 1,000 agencies. It is rated "A" by Best & Co. The company has voluntarily deposited with the Iowa insurance department a guarantee fund of \$100,000 in registered bonds.

Aetna Life Resumes Dividends

The Aetna Life has resumed payment of dividends. Stockholders of record June 16 will receive a dividend of 10 cents a share payable July 2. The Aetna Life omitted payment of dividends in April, 1932, and has not paid any dividends since then.

The Aetna Casualty declared the regular quarterly dividend of 40 cents a share and the Automobile of Hartford, an affiliated company, has declared the regular dividend of 25 cents a share. Both are payable July 2 to stock of record June 16.

Form Taxi-Cab Mutual

The Palmetto Mutual has been organized by a group of taxicab owners in South Carolina in order to issue policies in conformity with the South Carolina law requiring taxicab owners to carry liability insurance. The South Carolina railroad commission has notified such owners that the law will be strictly enforced after July 1. S. W.

Parham of Columbia, S. C., is president of the Palmetto Mutual and W. R. Timmins of Greenville and Columbia is general manager and secretary.

The Motor Mutual was recently organized to insure the trucking industry in South Carolina and some of its officers are also officers of the Palmetto Mutual.

New Century Casualty Election

H. C. Hintzpeter was elected first vice-president and H. E. Reeves assistant secretary-treasurer by the board of the New Century Casualty. These are new offices created. Other officers were reelected, including President Albert Kahn, Second Vice-president A. M. Eisfeldt and Secretary-Treasurer H. A. Salomon. The officers reported steady premium increase this year and losses, especially in plate glass, somewhat improved.

Mr. Hintzpeter is one of the Chicago managers of the Mutual Life of New York.

Lloyds Ruling Permanent

PIERRE, S. D., June 20.—Circuit Judge Wall has made permanent a temporary order restraining the South Dakota banking commission and superintendent from approving fidelity and robbery bonds written in Lloyds of London and submitted by several state banks. The judge upholds the state's attorney general in an opinion that Lloyds does not come within the definition of a surety company as provided in the state law. Miner Shaw, Sioux Falls local agent, brought action after the state board indicated it would pay no attention to the opinion of the attorney-general.

U. S. Casualty Chicago Change

To relieve T. E. Dunne of the detail in the surety department of the Chicago office of the United States Casualty, J. F. Feeney has been employed. Mr. Dunne, one of the best known surety men in Chicago, will devote his time to assisting in the development of casualty and surety. The title of surety manager is abolished temporarily. Mr. Feeney was formerly connected with the Constitution Indemnity and Union Indemnity and for a time previously was with the U. S. Casualty. The Chicago branch of the U. S. Casualty under Manager Steiner is making steady progress.

Advantage, Danger in Reimbursement

(CONTINUED FROM PAGE 29)

even \$25 would be taken philosophically by the policyholder, he said. Referring again to life indemnity for sickness, he pointed out that if rates were increased from \$60 to \$80, \$100 or more for \$25 weekly coverage, the rate approaches a prohibitive expenditure, unless there is something very definite and specific to be gained from the policy. As a third point, he declared that there is little if any selection against the company on medical reimbursement coverage. These three important factors, he said, point toward medical reimbursement as being a type of coverage that can be underwritten by the companies.

Third-party Hazard Involving Medical Fees

Among the unfavorable aspects, he cited particularly the peculiar third-party hazard involving the important part which the medical fraternity plays in the claim aid of medical reimbursement. He referred to recently published statistics showing the heavy reduction in physicians' income along various lines, including the fact that approximately 35 percent of those treated by

Compensation Changes Are Made in Number of States

BULLETIN BUREAU COMPANIES

Employers Liability Manual Discontinued June 30 in Favor of New Rules and Classifications

NEW YORK, June 20.—Member companies of the National Bureau of Casualty & Surety Underwriters and their representatives in Arkansas, Florida, Mississippi, Oregon, South Carolina, Washington and in monopolistic state fund states, have been advised of discontinuance June 30 of the present employers liability manual, and of substitution therefor new compensation and employers liability rules and classifications. Particular attention is directed to the following changes.

Introduction of the expense constant in connection with employers liability insurance, revision of risk classifications to which table A applies; an asterisk appearing on the rate pages after each code number to indicate that the rate for that code must be increased by the table A; factors for increased limits, elimination in the manual of any reference to ex-medical policies, which contracts may be handled by companies as in the past. Elimination of all rates and rules for workmens collective insurance.

Other Changes Are Noted

Rotaprinted sheets containing rates for the indemnity will be issued and are to be standard charges; they may be quoted by the companies without reference to the bureau. Additional interest rules have been eliminated. If such form of coverage is required, complete information must be supplied with each risk.

The rule permitting writing employers liability insurance for three-year periods with concurrent O. L. & T. coverage, has been deleted, as has also the rule permitting writing private residence, public liability and employers' liability coverage on domestic servants for a single minimum premium.

The printed rate pages will contain rates, minimum premiums and code numbers only for those classifications for which payroll has been shown during one of the latest five years of experience.

doctors do not pay their bills. They are thus in a receptive mood to make the best of new patients backed by the assets of large insurance companies. It has always been and always will be a philanthropic principle of medical treatment, he added, that the poor pay very little and the rich pay proportionately more than their share. Unfortunately, every holder of a medical reimbursement policy is under this basis a comparatively wealthy man. The result is an unconscious but definite hazard of increased medical fees which would enter into claim payments under this form.

Difficulty in Pro-Rating Where Coverage Is Duplicated

Another serious problem is that of pro-rating when an assured has medical reimbursement policies in more than one company. Without any moral weakness other than possibly poor sales resistance, an assured can very easily have \$1,000 reimbursement coverage in each of three companies and on a claim of \$800 could legally claim that amount from each company, with a profit to him of \$1,600.

Another inequality in medical reimbursement coverage, for which he was able to offer no solution, is what might be termed "discrimination." An attorney making \$50,000 yearly is charged the same rate as a bookkeeper making \$200 monthly.

Mutual Claim Men Hold Annual Session in Chicago

The annual mutual claims conference of the National Association of Mutual Casualty Companies and National Association of Automotive Mutual Insurance Companies was held in Chicago, R. G. Rowe, Lumbermen's Mutual Casualty Chicago, being general chairman. One important subject of discussion was "Insurance Problems Arising from Occupational Diseases," participated in by Mr. Rowe, B. E. Kuechle, Employers Mutual Liability; G. L. Marston, American Mutual Liability, T. A. McGehearty, Liberty Mutual, and E. W. Sawyer, Liberty Mutual.

The cause and prevention of silicosis was discussed, with Mr. Kuechle session chairman. Automobile liability insurance was taken up, with J. L. Kennedy, Merchants Mutual Casualty, and L. J. Carey, Michigan Mutual Liability, as chairmen of different sessions.

T. M. Coen, Security Mutual Casualty, was chairman of a general session in which were discussed index and fraud prevention bureaus, judgments in excess of policy limits, proper method of securing statements, control of medical costs and the place of X-rays and motion pictures as evidence for the defense.

McNeal Getting Established to Assume Loan Guaranties

W. H. McNeal, formerly manager of the Home Owners Loan Corporation in Washington is getting established in Baltimore as president of the Allied Mortgage Company and Associated Mortgage Company, both organized to take over the guaranteed mortgages of the United States Fidelity & Guaranty. He will work under auspices of that company and the Reconstruction Finance Corporation, which advanced money for the refunding plan.

Motor Club Wins Suit

The Inter-Insurance Exchange of the Chicago Motor Club has been relieved of liability for personal injuries to persons involved in a collision with an assured by the circuit court at Rockford, Ill., on the ground that the assured had not paid the premium on his policy and on the allegation that the driver of the assured's car was intoxicated at the time of the accident.

C. E. W. Anderson of Rockford was the assured. His car was being driven by Louis B. Wright at the time of the accident. A few days before the accident, Anderson had purchased a policy from the motor club but had not paid for it.

The motor club after investigating the accident offered to pay the injured person \$750 and this offer was refused. Suit was brought against Anderson and judgment totaling \$5,805 was obtained. Anderson went into bankruptcy and his trustee in bankruptcy brought action against the motor club to recover the \$5,805. The circuit court dismissed the complaint.

To Increase Capital

The Motor Casualty of Philadelphia is planning to increase its capital \$50,000 to \$200,000 and increase its surplus by \$25,000 by issuing 5,000 additional shares at \$15 per share at a par value of \$10.

John Pabst in New York

John Pabst of Chicago, western manager of the Fireman's Fund Indemnity, is in New York this week conferring with R. B. Goodwin, vice-president in charge of the eastern division and with C. R. Page of San Francisco, vice-president of the Fireman's Fund, who is also in New York this week.

Companies Ordered to End Special Plate Glass Deal

ILLINOIS DEPARTMENT ACTS

Palmer Demands Cancellation of Contracts Under Which Plate Glass Company Acts as Insurer

Those casualty companies which are parties to a contract, under which a glass company undertakes, for a specified percentage of the earned premium, to make any and all plate glass replacements for the insurer in Chicago, have been ordered by Insurance Director Palmer of Illinois to cancel such agreements immediately.

Thirteen insurers, including many of the leading plate glass writers in Illinois, are understood to have had such contracts. Only one of the glass companies has been a party to these arrangements. Forty percent of the earned premiums was paid to the glass company under the deal. Mr. Palmer based his demand for cancellation of such contracts on the ground that the glass company was assuming the role of insurer, without being qualified.

Wordings of the Order

"Our attention," the insurance department's communication stated, "has been directed to a contract which some insurers had entered into with a glass company whereby in consideration of the payment of a specified percentage of the earned premium on all plate glass business written, the glass company agrees to undertake to inspect, service and replace any and all plate glass insured by such companies."

"A contract of this nature is an insurance contract and as such it is in violation of the insurance statute, which provides that all insurers shall qualify with this department and operate under its direct supervision."

"If you have entered into any such a contract, you are hereby ordered to cancel it immediately; also, if such a contract has been entered into by you, you will advise this department to that effect, indicating the date that the contract was signed, the date it was terminated and the name of the glass company with which the contract was entered into. If no such contract has been entered into by you, please so signify."

New Promotion Department

A sales promotion department to assist agents in sales and advertising plans has been started by the Western & Southern Indemnity. D. O. Smith, formerly of Columbus, O., will develop this department in collaboration with the present advertising department. Mr. Smith has had many years experience in insurance sales promotion and publicity work. A new selling plan for accident and health insurance, embracing the coordinated use of personal salesmanship, advertising and prospect records is now being developed.

Virginia Hearing This Week

RICHMOND, VA., June 20.—A hearing on the petition of the companies for an increase in automobile liability and property damage rates in Virginia is scheduled to be held before the state corporation commission Friday.

Taylor with Tennessee Company

The Tennessee Mutual Automobile of Knoxville which was organized last April has made W. J. Taylor, formerly with the Farm Bureau Mutual of Columbus, agency manager. The Tennessee Mutual is operating in Tennessee on a somewhat similar plan to that of the Farm Bureau mutual and will probably extend its operations to nearby states. Its chief backer is W. M. Fulton, treasurer.

Heads Maryland Casualty Public Relations Section



R. H. THOMPSON

BALTIMORE, June 20.—A department of public relations, with Vice-president R. H. Thompson in charge, is announced by Silliman Evans, new president of the Maryland Casualty. Promotion of L. S. Wilson to manager of the public official and depository department and the appointment of W. T. Harper as agency director, with H. C. Michael as assistant, are also announced.

Mr. Thompson started his insurance career with the United States Fidelity & Guaranty, remaining there four years and then going with the Maryland Casualty. He is chairman of the Insurance Federation of Maryland and has served as chairman of the casualty and surety conferences on acquisition cost, chairman of the Bureau of Personal Accident & Health Underwriters and as secretary, vice-president and president of the Burglary Underwriters Association.

Mr. Wilson has been with the Maryland Casualty 21 years, starting in the public official and depository department as a clerk. He has been assistant manager of the public official and depository department and also an assistant secretary of the company. Mr. Harper started with the company in 1911 in the bonding department. In 1917 he was made manager of the public official and depository department. Mr. Michael started in the auditing division and was associated with Mr. Harper when the fidelity department was organized in 1911. Later he became special agent and has served as assistant auditor for a number of years. He has had considerable experience in field work in branch offices.

Sues to Restrain Assessing Wisconsin Policyholders

Commissioner Mortensen of Wisconsin has instituted injunction proceedings in the Dane county circuit court to restrain the Indiana Liberty Mutual from levying assessments against its 3,500 policyholders in Wisconsin. An order has been issued requiring the Indiana Liberty Mutual to show cause June 25 why it should not be restrained from suing Wisconsin policyholders.

Mr. Mortensen said the Indiana Liberty Mutual was licensed in Wisconsin in 1922 and was denied a license in 1932 when its feeble financial condition was revealed. On March 17, 1933, the company started assessing the policyholders and when payments were not forthcoming, collection was placed in the hands of attorneys, who obtained several default judgments against the Wisconsin policyholders.

Approach Crisis in Chicago Over 50-50 Form Situation

BUREAU PROPOSAL REJECTED

Cook County (Ill.) Organization Being Disrupted by Nonconformance of a Few Members

Affairs are coming to a head in the Chicago plate glass business, following notification by the National Bureau of Casualty & Surety Underwriters to members not to write 50-50 plate glass in Cook county, and similar notice sent out to member companies by the Cook County Plate Glass Insurance Bureau. For some time a number of companies, members of the Chicago bureau, have been writing 50-50 policies, contrary to one of the principles on which the bureau was founded. This followed decision of two companies some time ago to withdraw in order to be free to write this form. The increase in sale of 50-50 contracts resulted in forcing some of the bureau companies to begin writing the contract.

Proposal Rejected in East

It was proposed by the Chicago bureau to the eastern contact committee of the National Bureau that permission be given for any company-members of the Chicago bureau which desired to write this form. This proposal has just been turned down in the east following a general meeting of representatives of companies in the Chicago bureau.

The effort of Chicago bureau officials to secure this liberalization, however, is persisting, it being felt that the eastern officials do not understand the situation, and that continuance of the present conditions will seriously jeopardize influence of the bureau.

Claim Association to Meet at White Sulphur Sept. 10-12

The annual meeting of the International Claim Association will be held at the Greenbrier hotel, White Sulphur Springs, W. Va., Sept. 10-12. This will be the silver anniversary meeting of the association and the officers and directors are eager to make the occasion memorable. Membership in the association now embraces 160 companies, including nearly all the important life, accident and health concerns in the United States and Canada. William H. Dennis, chief adjuster for the Prudential is president.

Force St. Louis Cabs to Insure

ST. LOUIS, June 20.—St. Louis police have opened a drive against the drivers of about 150 taxicabs who have not purchased the \$5,000/\$10,000 public liability protection required by a city ordinance. Circuit Judge O'Neill Ryan denied the request for a temporary restraining order to prevent the police and city officials from enforcing the ordinance.

Love, O'Brien on Trial

Clarence Love, former president, and H. G. O'Brien, former secretary of the Penn General Casualty, are now on trial in Philadelphia. Love is charged with embezzling \$198,040 from the company and O'Brien with conspiracy to cheat and defraud.

J. E. Rollins Vice President

J. E. Rollins was elected vice-president in charge of claims and accident prevention work for the Bituminous Casualty of Rock Island, Ill. He was formerly manager of the Des Moines office and was recently transferred to the home office.

W. J. Bell, Miami, Fla., adjuster, is spending a week in the north visiting some of the insurance offices in Newark and New York City.

CHANGES IN CASUALTY FIELD

To Open Branch in Chicago

Nietschmann, Milwaukee Manager of National Surety, Is in Charge—A. E. Fuller Wisconsin Successor

A branch office is to be established July 1 in Chicago by the National Surety, with B. J. Nietschmann as manager. Mr. Nietschmann is Milwaukee manager. The Milwaukee office will be in charge of A. E. Fuller, for seven years connected with the National Surety in Chicago and regional representative in nine states.

The National Surety has had a branch in Chicago for five years, giving service on out-of-town business, covering a number of mid-western states.

The new Insurance Exchange branch will write no direct business, nor will there be any change in the relationship with Joyce & Co., general agents of the new National Surety in Chicago. The branch, it is stated, also will not have any office brokers. It will be truly a service office and will accept only brokerage business.

Mr. Nietschmann started in 1918 with Joyce & Co., general agents in Chicago for the National Surety, formerly having been city passenger agent for the Rock Island railroad. He was transferred to Milwaukee late in the same year. When the Joyce-Wisconsin Company was organized in 1924 to take over Wisconsin territory of the National Surety, Mr. Nietschmann became president. Then with opening of the Milwaukee branch office of the National Surety in 1929, he became resident vice-president, and has managed the branch since that time.

Mr. Nietschmann for several terms was president of the Surety Underwrit-

ers Association of Milwaukee. During the period of reorganization of the National Surety, the Milwaukee branch under Mr. Nietschmann suffered no loss of business or representation.

President Vincent Cullen said: "In the past our general agents, Joyce & Co., had an exclusive contract covering Chicago and Cook county. The arrangement was not entirely workable from the standpoint of the agency and it was agreed last year on an entirely harmonious basis that the corporation would open at a later date a fully equipped branch office to service the business of agents and brokers in the Chicago area. Joyce & Co., will continue as general agents reporting as heretofore to the home office in New York. We have long recognized the importance of Chicago as an insurance center and in presenting branch office service have in mind extending to brokers and the insuring public of that city facilities second to none in the surety business. We have every confidence in the business future of Chicago and the surrounding territory and fully expect our new office eventually to become one of the most important production units of the corporation."

H. L. Dalton has been appointed assistant manager and R. L. McNamara, E. E. Antonet and Walker Seaborn of the present Chicago office will have important assignments in the new branch.

G. R. Hess Named General Agent of the U. S. Casualty

George R. Hess of the George R. Hess & Co. general agency in Chicago has been appointed general agent for the United States Casualty. For three years Mr. Hess has represented as gen-

eral agent the Gulf of Dallas. C. G. Bader will be associated with Hess & Co. as casualty underwriter. He was connected with the Zurich in Chicago for many years and until recently was casualty underwriter for D. F. Moore & Co. Larger offices have been leased because of the addition of the casualty department and to accommodate office brokers.

F. S. Cone Is Named

F. S. Cone has been appointed assistant to Vice-president S. G. Drake, in charge of production at the home office of the National Surety. He entered the insurance field a number of years ago as agent for the American Surety and for the past ten years was with the Union Indemnity Company as field manager.

American Casualty Changes

E. G. Lynch has been advanced to supervisor of agencies of the American Casualty of Reading, Pa. He has been connected with the company for several years, first as special agent in New Jersey and later in charge of the Philadelphia office before being transferred to the home office.

W. J. Dormer, who was formerly connected with the Independence Indemnity, has been appointed special agent for central New Jersey, east Pennsylvania and Delaware, traveling from the home office.

W. M. Neal has been appointed special agent for Georgia and Tennessee with headquarters in Atlanta.

Jones Los Angeles Speaker

F. Robertson Jones, general manager Association of Casualty & Surety Executives, who has been touring the Pacific Coast, was the guest speaker at a meeting of the Casualty Association of Los Angeles. He also spoke at the luncheon meeting there of the Surety Underwriters Association of Southern California.

Workmen's Compensation

N. Y. Issues Form to Exclude Relief Worker Coverage

The Compensation Insurance Rating Board of New York has promulgated an endorsement, to be used for the exclusion of coverage on relief workers. The endorsement reads, "It is expressly understood and agreed, notwithstanding anything in the policy to the contrary, that the policy to which this endorsement is attached shall not cover nor be construed to cover any relief workers or persons working on relief work administration projects or projects of the state emergency relief board or the local works division for the benefit, or under the supervision, of the named employer."

"Under the policy of which this endorsement forms a part no premium charge shall be made upon the remuneration of any person employed on work relief projects as authorized, established and defined by chapter 798 of the laws of 1931, state of New York, as amended, and no obligation expressed in this policy shall apply to injuries sustained by any such person while so employed."

Drops Compensation in Michigan

LANSING, MICH., June 20.—The Norwich Union Indemnity has notified the Michigan department to modify its certificate of authority to exclude the writing of workmen's compensation. The company's limited volume and bad experience in this line, it was said, prompted withdrawal from this field in the state.

The Connecticut Indemnity has entered the state of Washington.

birds of a feather

The character and standing of a company is measured by the calibre of its agents . . . Good agents have good companies.

This may be the reason why so many of the outstanding casualty agents of the country represent the "London Guarantee".

Established in 1869, the "London Guarantee" is one of the oldest and strongest casualty companies in the world.

LONDON GUARANTEE & ACCIDENT COMPANY, LTD.

J. M. HAINES, U. S. Manager

55 FIFTH AVE., NEW YORK

October 1, 1933
last week.
at 4,930 bundles of wood were dis-
ed last week to seven organizations
city who, in turn, delivered the wood
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Oil goes into your motor—no
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**PAVEMENT POUNDING
IS PASSE**

**DAY OF DOOR-TO-DOOR INSURANCE
PEDDLING AND "COLD TURKEY"
CANVASSING IS GONE**

Today's insurance agent knows his prospect's needs, plans his
calls, heralds and follows-up his visits with direct-mail advertis-
ing that **SELLS**.

There is nothing that helps this modern agent to plan and com-
plete his job better than the Western and Southern Policy Ana-
lyzers.

The Analysers place all information about the policies, rates, sell-
ing points, campaigns and available advertising at the agent's
finger tips—**instantly. YOU need the Analysers. Why not write**
—today?

Investigating Mail Contracts.
Washington, November 16—(AP)
—Testimony that 10 ships, which
cost \$205 a ton to build, were dis-
posed of by the Shipping Board in
1928 for about \$1.50 a ton, today
was entered before the Senate Mail
Contracts Investigation Committee.
Raymond D. Sullivan, Vice Presi-
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with November 18—(AP)
Administration and
tions that an announcement
Russian recognition by President
Roosevelt was close at hand.
The Chief Executive was ex-
pected to clear the way for the re-
sumption of diplomatic relations
with Russia before he leaves for
Warm Springs, Ga., late tomorrow.
The White House today reiterated
the parleys with Maxim Litvinoff,
the Soviet Commissar for Foreign
Affairs, before Mr. Roosevelt leaves.
Meanwhile State Department of-
ficials who have been assisting in
the negotiations gave the impres-
sion an understanding had been
reached on virtually every question
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THE WESTERN & SOUTHERN INDEMNITY CO.
THE WESTERN & SOUTHERN FIRE INS. CO.
Charles F. Williams, President CINCINNATI, OHIO William C. Safford, General Manager

ACCIDENT AND HEALTH FIELD

Oklahoma City Branch Leads

Writes Most Apps in Travelers' 70th Year Accident Drive—Chicago Is Volume Leader

The Oklahoma City branch of the Travelers, managed by Col. D. R. Bonfoey, led in number of applications in a ten weeks' campaign conducted by Travelers' agents throughout the United States and Canada in honor of the 70th anniversary and based on a special anniversary policy. The Insurance Exchange branch in Chicago under Manager E. B. Dudley, was leader in volume.

The Oklahoma branch early in the campaign after a successful week in which 268 policies were written, issued a challenge to all the other offices for a special effort in the closing week, winning by writing 522 policies in the seven days.

Dallas under Manager H. B. Gengnagel was second in the final week's drive; Boston under Manager W. B.

Phelps, third; Peoria, Ill., covering all the state except Cook county, under Manager J. I. Thomason, was fourth, and the Insurance Exchange branch, Chicago, fifth. The Oklahoma City record of 522 policies in the week was said to have been a new high mark for a week's production in the Travelers organization.

The form upon which the drive was built was the standard commercial accident policy of the Travelers with benefits reduced to \$5,000 principal sum and \$25 weekly indemnity. It was an accident only form, with, however, special coverage for automobile accidents. The policy proper was dressed up with a gold border emphasizing the 70th anniversary and special application forms were used.

New Hospital Carrier Licensed

The Hospitalization Corporation of Lincoln, with Mrs. D. E. Buffum as secretary-manager, organized on the mutual assessment plan, has been licensed by the Nebraska department. A policy fee of \$3 is charged and the annual premium, which may be paid in monthly

instalments is \$12. It agrees to furnish surgical and medical service, including all operations and calls, and obstetrical service after the policy has been in effect for nine months, in addition to hospital service not to exceed \$21 a week for not more than four weeks out of any three months.

Seeks to Reinsure Accident

Superintendent O'Malley of Missouri Petitions Court to Approve Continental Life-Washington National Deal

Circuit Judge Ryan of St. Louis has taken under advisement the petition of Superintendent O'Malley of Missouri for authority to reinsure commercial accident and health business and newspaper accident policies carried by the Continental Life of St. Louis with the Washington National of Chicago.

Under terms of the proposal, Washington National would take over all of the Continental's accident and health business, the Continental to receive 20 percent on renewals on newspaper policies and 10 percent of \$33,000 representing unearned premiums on commercial accident and health.

A. A. Ridge and F. P. Schemeyer, of counsel for Superintendent O'Malley in-

formed the court at a hearing that the accident and health business was a hazardous liability for the Continental to carry.

President Ed Mays of the Continental, which was placed in charge of the department May 23, objected to the reinsurance deal, stating it had cost the Continental Life \$500,000 to build up its accident and health department, and the reinsurance would interfere with rehabilitation of the life company. He contended that consideration offered was not adequate, and that the Washington National would make about \$35,000 on the deal "before it ever turned a hand."

Has 134,000 Policies in Force

It was brought out that the Continental has about 134,000 accident policies in force, including a considerable number of newspaper policies. The court was told that about \$134,000 in accident claims have been proved. Superintendent O'Malley denied the reinsurance would interfere with rehabilitation.

Testimony was that gross profit on the newspaper premiums was about 55 percent and on commercial accident and health about 45 percent.

Big California Production for Accident-Health Week

LOS ANGELES, June 20.—The June meeting of the Accident & Health Managers Club of Los Angeles was devoted to a round table discussion of results obtained in production of new business the week of June 4, the third annual Accident & Health Week in California. Managers generally reported substantial increases in production for this period as a result of the special drive.

Mike O'Sullivan, vice-president Sun-set Mutual Life, reported on the discussion of hospital associations at the recent meeting at Riverside of the State Medical Association.

G. F. McGlawn, National Guarantee, a charter member of the club when it was organized in 1922, who was reinstated as a member following an absence of several years in the east, reviewed agency conditions existing in the business 12 years ago, which inspired the founding of the club, and the subsequent improvement experienced.

Detroit Office Breaks Record

GRAND RAPIDS, June 20.—Last week was the biggest production week in Grand Rapids for the Travelers since 1926, according to B. R. Dooge, field representative. The company has been conducting a 70th anniversary accident insurance campaign on a nation-wide scale.

Chicago Club Committees

Standing committees of the Accident & Health Insurance Club of Chicago have been appointed by the new president, E. H. Ferguson of the Great Northern Life. The chairmen are: Program, Armand Sommer, Continental Casualty; publicity, C. T. Redfield, Mutual Benefit Health & Accident; membership, P. D. Smith, Aetna Life; educational, E. A. Hauschild, Continental Casualty; auditing, W. M. Leavitt, Sun Indemnity; entertainment, R. M. Ayres, Hooper-Holmes Bureau, and resolutions, H. R. Gordon, executive secretary Health & Accident Underwriters Conference.

Goes With Massachusetts Indemnity

Donald C. Thomas, who has been with the Connecticut Mutual Life in Fort Wayne, Ind., for several years, has been named supervisor and general agent there for the Massachusetts Indemnity, with offices at 1011 Old First Bank building.

The Columbia Accident & Health has been incorporated in Lincoln, Neb., under the assessment laws of Nebraska to write accident and health insurance.



LOYALTY

Low Agency Turnover

Service records of twenty, thirty and more years with this one institution are not uncommon. Several records even antedate the organization of the Company in its present corporate form in 1897.

Such loyalty is evidence of the characteristic Continental qualities which attract and hold the friendship of progressive field men, and may be taken as an index to the DURABILITY of this institution.



CONTINENTAL CASUALTY ASSURANCE COMPANIES

CHICAGO

ILLINOIS

Uneven Cost Big Medical Problem

(CONTINUED FROM PAGE 29)

to attend such illnesses can be estimated with reasonable accuracy. A group of individuals can achieve what is impossible for one individual to accomplish by himself. In other words, the entire group can budget the cost of medical care for the members of the entire group.

Costs of Sickness Involve Two Types of Economic Hazard

"The fact that medical care can be budgeted by group action is, of course, a truism for people engaged in underwriting the economic contingencies resulting from sickness and accident. The very existence of this conference is evidence that the costs of sickness and accident can, in some respects, be predicted and budgeted by individuals when they act with other members of a group of known composition.

"As we all know, the costs of sickness are of two types or at least involve two forms of economic hazard: First, the cessation of income during the period of disability; second, the incurrence of large expenditures for medical services which may be much less or much greater than the loss of income during the period of disability. For good reasons, insurance companies have, up to the present time, not attempted to go very far in the provision of medical services during a period of sickness. I shall not attempt to explain what considerations underlie the slow development of the principle of insurance as applied to medical care, in contrast with the underwriting of loss of other income. I venture the opinion, however, that the main considerations have been problems of administration, rather than inadequate data on the incidence of illness or the possible minimum costs of medical and hospital services."

Plans Adopted by Large Employers, Employees' Groups

He reviewed in considerable detail the plans adopted by large employers for furnishing medical and/or hospital care and arrangements made by smaller groups of industrial and commercial employees with hospitals and groups of practitioners, together with the voluntary health insurance plan formulated in Washington and Oregon under the direct supervision and administration of county medical societies.

He gave especial attention to the "group hospitalization" plan endorsed by the American Hospital Association, stating that such plans are now in operation in more than 40 cities, offering services in more than 100 hospitals and with a total enrollment of not less than 100,000 subscribers. For the most part, the payments are set at from \$5 to \$12 per year.

He listed these features as set up by the council of the American Hospital Association as characterizing an acceptable method of organization: (1.) The emphasis should be on public welfare rather than profit to the hospital or the hospitals as a group; (2.) The benefits should be limited to hospital care only; (3.) the plan should be actuarially sound and be subjected to test of economic and administrative efficiency; (4.) the promotion and administration of the plan should be conducted at the minimum cost and publicity should be directed toward the plan of group budgeting rather than the participating hospitals; (5.) there should be free choice of hospital and physician; (6.) ethical and dignified promotion should be used in introducing the plan to the public; (7.) sponsorship should be on a non-profit basis.

"It is important to differentiate medical care insurance from 'state medicine.' The former is a plan by which people pay the cost of their own medical services. The latter is a plan by which one

group of people—the tax payers—bears the cost of medical service for another group or for the general population."

Occupational Diseases—Kind and How Acquired

(CONTINUED FROM PAGE 37)

external condition rather than internal, and are generally termed dermatitis, being those classes of skin diseases

Toxic Dusts, Fluids and Metals:

Celluloid Industry.
Dye Mfrs. and Using Industry.
Varnish Makers.
Soap Makers.
Patent Leather Industry.
Electrotyping.
Tanning Industry.
Glue Manufacturing Industry.
Yeast Manufacturers.
Paint Industry.
Laundry Industry.
Fertilizing Plants.
Lead Industry.
Phosphate Manufacturers.
Powder Mixing.
Galvanizing Metals.
Shellac Makers.
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Insecticide Manufacturers.
Chemical Industry.
Rubber Industry.
Enameling Industry.

Disinfectant Manufacturers.
Calico Printing Industry.
Petroleum Industry.
Bakelite Industry.

The dermatitis, like all occupational diseases, is of slow growth and is due to the constant and continuous contact with such alkali dusts or irritant fluids. These diseases evidence themselves as boils, abscesses and skin eruptions of various kinds, and while curable and more or less temporary are nevertheless occupational diseases.

Where, however, a cut or broken surface of the skin first is had, and by reason of constant contact with the dust or fluid there arises a skin trouble about such cut or broken surface, or boils, which ultimately become open, running sores, we then have an accidental injury and not an occupational disease.

The principles enunciated in a previous article relative to the time, place and cause in the distinction between an "accidental injury" and an occupational disease is applied here.

The history of employment, the manner of contact with the certain types of dust or fluid, also its nature, are the more determining factors of a possible occupational disease than the subject afflicted. The cause being first ascertained industrially and medically, the condition of the employee will then be

explained. Dust diseases of all kinds, as well as many of the poisonous cases, have a very definite and similar industrial inception.

In all the diseases mentioned, there is, of course, the initial inception and cause which must be continuous and constant, with the element of time as a definite factor. Rarely are these types of diseases definitely acquired in less time than two or three years. A factory condition may be so notorious in the failure of application of safeguards, and the dusts, fluids or gases so prevalent, and the employee and employer so careless of the conditions, that the time mentioned may therefore be shortened to a much less time than two or three years. I have found no serious case contracted in less time than two or three years.

The dusts, gases or fluids must arise through some process or manufacture where the workman is constantly and continuously compelled to breathe such dusts or gases, or be subject to body absorption of the injurious or poisonous fluid.

Resumes Dividends

After a cessation of dividend payments for three years, the American Surety declared a dividend of 50 cents per share, payable July 2.

THE vacationing motorist carrying adequate Automobile and Residence Burglary, Robbery, Theft and Larceny Insurance is assured absolute protection from financial loss and complete peace of mind on his holiday, as well as at all other times.

In the past five years stock companies have paid over \$19,000,000 on Residence Burglary claims and over \$747,000,000 on Automobile Liability and Property Damage claims. This service to the public evidences the sound judgment of insurance agents and brokers in placing their clients' insurance with stock companies.

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PERSONALS

C. H. Boyer, years ago manager of the monthly accident and health department of the General Accident and later with National Life, U. S. A., who retired from the business some years ago and returned to Pennsylvania, has for two years been acting as Pennsylvania state manager of the Lutheran Brotherhood of Minneapolis, one of the old line fraternals, which he helped to organize and of which he is a director. Mr. Boyer's headquarters are at Boalsburg, Center county, Pa. He also maintains an office at Harrisburg in charge of his son-in-law, Harold D. Foster. Mr. Boyer's agency last year wrote about \$1,000,000 of new business and its business is rapidly increasing.

E. H. Allen has a new son. Mr. Allen was with the Federal Surety as superintendent of the surety bond department for many years and is now with the insurance department of the Guaranty Title & Mortgage Co. of Flint, Mich.

G. L. Mallory of Campbell, Mallory & Throgmorton, Little Rock, Arkansas general agents of the Aetna Casualty, will retire July 2 as United States marshal of the eastern Arkansas district on completion of the four-year term.

J. W. Estes, veteran district supervisor of the accident and health department of the General Accident in Seattle, died at his home there. In nearly 32 years of accident and health supervisory work, he had built up a strong agency of nearly 50 men and pointed with pride to the fact that he had never been called into court over a disputed claim. He joined the General Accident in Seattle in 1902 as a part-timer and a few years later took charge of the office, which then had jurisdiction over Washington and Oregon. In 1910 the latter state was put under separate management and since then he had had charge of all of Washington except Spokane. His son, E. B. Estes, has been associated with him as assistant supervisor since 1923.

C. C. Cattermole, Southern California special agent of the Great American Indemnity, and his wife are reported recovering from injuries sustained in an automobile accident.

The new president of the Maryland Casualty, Silliman Evans, entered the newspaper business as a young man in Texas, later going to Washington as correspondent for several Texas papers. For several years he was vice-president of the American Airway Lines. When Mr. Farley was appointed postmaster general, he named Mr. Evans as fourth assistant postmaster general, which position he held until last April, when he resigned to become executive vice-president of the Maryland Casualty.

S. G. Dunham of Hartford, senior director Aetna Life, died Saturday. He was chairman of the board and former president Hartford Electric Light Co. His father was one of the organizers of the Aetna Life and was its first vice-president. Mr. Dunham's first position as a boy was with the Aetna Life. He was a director of the other Aetna Life companies and other Hartford institutions. A son-in-law is S. F. Westbrook, vice-president Aetna Life.

G. D. Hoban, Metropolitan Casualty special agent at Portland, Ore., has recovered from recent automobile injuries.

R. Howard Bland, chairman of the board of the United States Fidelity & Guaranty, and Philip F. Lee, vice-president and director of the agency department, have just returned from a meeting in Toronto of the Canadian agents of the U. S. F. & G.

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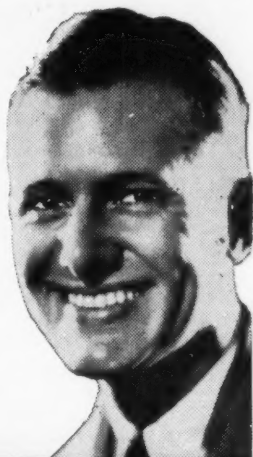
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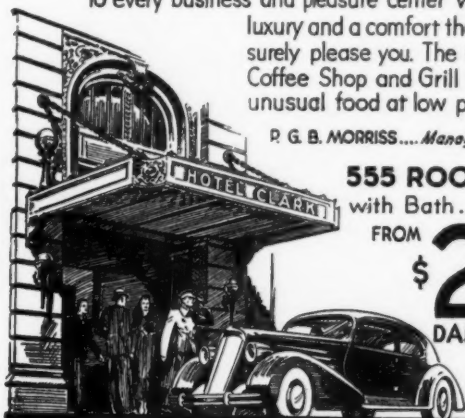
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"A brake test on Riverside Drive, New York in the 90's."

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Skepticism and ridicule could not hold back the growth of the automobile industry. In a little more than a quarter of a century motor vehicles have developed from experimental curiosities to social and commercial necessities. Paralleling this growth has been the fast

growing demand for Automobile insurance in its many forms.

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